

The Gunma Bank, Ltd.

Financial Results Briefing Session for the Year Ended March 2023

June 8, 2023

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Financial results and business forecast (for the FY ending Mar. 2024)

Summary of financial results

- Consolidated core net business profit excluding cancellation of investment trusts **39.9billion yen** (YoY+3.0billion yen), profit attributable to owners of parent **27.9billion yen** (YoY+1.4billion yen)
- Restructuring of the securities portfolio : gains and losses on investment securities **-1.7billion yen** (losses on bonds-31.4billion yen), unrealized gains and losses on valuation as of Mar. 31, 2023 : **-6.6billion yen**

Business forecast (for the FY ending Mar.2024)

- Consolidated core net business profit excluding cancellation of investment trusts **38.3billion yen** (YoY -1.6billion yen),
⇒ Of which, net interest income -1.7billion yen, non-interest business profit + 1.0billion yen, expenses + 0.9billion yen
- Profit attributable to owners of parent **28.0billion yen** (YoY+0.1billion yen)

Capital Policy

Shareholder return ➡ The ratio of total payout to shareholders 51%

- Dividends... The annual cash dividends per share for FY 2023 is planned to be **20yen**, **up 2yen** compared with the previous year.(The dividend has **increased for three consecutive FY.**)
- Treasury shares... Total cost of acquisition: **up to 5.0 billion yen**, Total number of shares to be acquired :**up to 12.5 million shares**,ToSTNeT-3 and market purchases (period of acquisition : May 11 ~ Jul. 31, 2023)

Shares for policy purpose

- Listed shares for policy purpose with a book value in FY2022 were **reduced by 4.6billion yen** to 33.6billion yen. (Target(FY2026) : 18.0billion yen)
Ratio of shares for policy purposes(market value balance) to consolidated net assets was 18% (Target(FY2026) : 8~9%)

Optimal Capital Structure • Improvement enterprise value

Capital ratio (medium to long term **To-Be**)

- In capital management, focus on the **Core CET1 ratio**, which is common equity Tier 1 minus unrealized gains (losses) on securities, and set a medium- to long-term target of **10.5% to 11.5%**.
- Utilize B3T2 and AT1 bonds to achieve a total equity ratio of **approximately 13.5%**.

Initiatives for improvement enterprise value

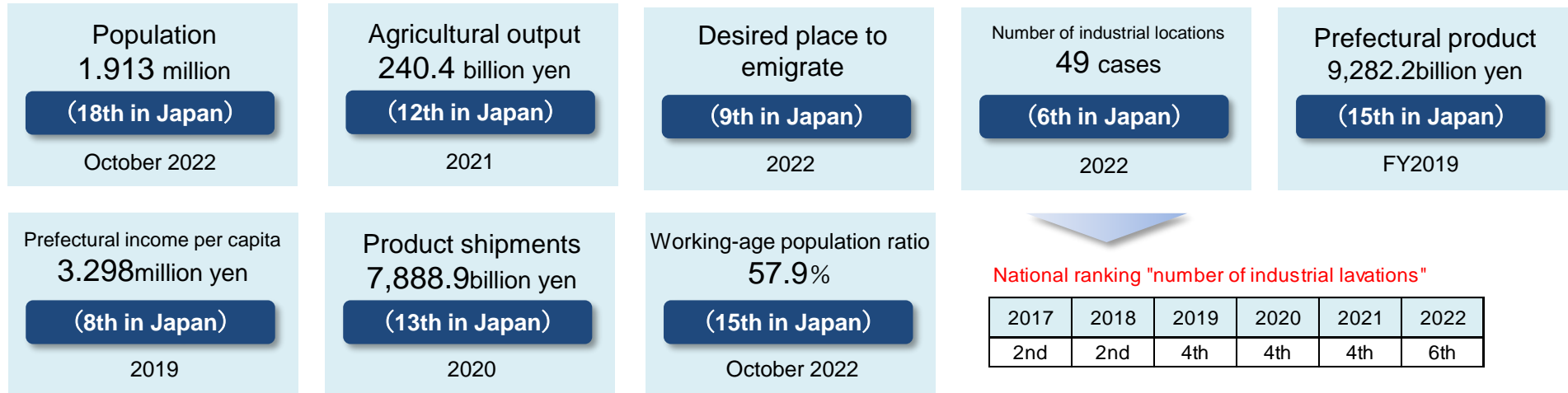
- Work to **eliminate negative equity spread** by **increasing ROE** and **reducing capital costs**.

I . Summary of Performance

Potential of Gunma Prefecture (Gunma Power)

Main data of Gunma Prefecture

Sources
Gunma Prefecture 「IR information of Gunma Prefecture (May 2023 edition)」
「FY2019 Gunma Prefecture economic statistics」



Manufacturing industries drive Gunma economy

● Nominal (domestic) gross production output for Gunma type of industry (FY2019)

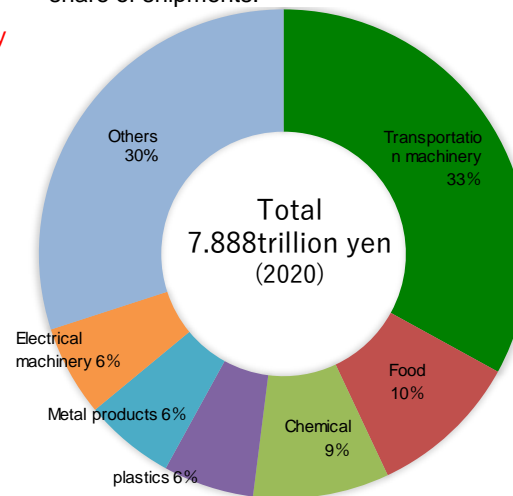
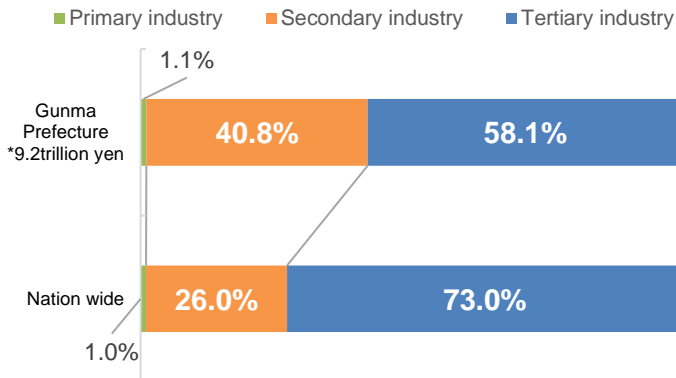
- Gross prefectural product is 9.2 trillion yen, of which **about 40% is secondary industry**.
- Gunma Prefecture has one of the highest percentages of **secondary industry** in the nation.

● Breakdown of manufactured goods shipment, etc.

Transportation machinery products account for a large share of shipments.

● Ratio of transportation machinery production

Ranks 2nd in nation at ratio of transportation machinery production in gross output for the prefecture



Ranking	Prefecture	Gross output
1	Aichi Prefecture	16.4%
2	Gunma Prefecture	10.3%
3	Shizuoka Prefecture	9.6%
4	Mie Prefecture	6.1%
5	Hiroshima Prefecture	5.9%
6	Gifu Prefecture	4.5%
7	Tochigi Prefecture	4.4%
8	Yamaguchi Prefecture	4.0%
9	Ibaraki Prefecture	4.0%
10	Okayama Prefecture	3.8%

※FY2019 data

Profit and Loss Conditions

- Consolidated core net business profit excluding cancellation of investment trusts 39.9billion yen (YoY+3.0billion yen).
- Profit attributable to owners of parent 27.9billion yen (YoY+1.4billion yen)

Consolidated			
(Unit : Billions of yen)			
	Mar.2022	Mar.2023	YoY
Core business gross profit	92.5	92.4	-0.0
Net interest income	72.0	71.4	-0.5
Non-interest business profit	20.5	21.0	0.4
Expenses	55.2	52.2	-2.9
Core business net profit	37.3	40.2	2.9
Excluding gains(losses) on cancellation of investment trusts	36.8	39.9	3.0
Ordinary profit	39.1	38.3	-0.7
Profit attributable to owners of parent	26.4	27.9	1.4
OHR	59.6%	56.4%	-3.2%
ROE	4.9%	5.3%	0.4%

Special comments of financial results

【 Consolidated 】

- Consolidated core business net profit excluding cancellation of investment trusts progressed steadily. The decrease in net interest income was offset by an increase in non-interest income and cost reductions. Consolidated core business net profit excluding cancellation of investment trusts increased by 3.0billion yen year-on-year to 39.9billion yen.
- Non-interest income increased by 0.4billion yen year-on-year to 21.0billion yen, a record high for a period. The decrease in deposit financial assets, etc. revenue was offset by an increase in corporate service revenue.
- Expenses amounted to 52.2billion yen, down 2.9billion yen, due to reducing effect on non-personal expenses.
- OHR amounted to 56.4%, up 3.2 points, ROE amounted to 5.3%, up to +0.4 points and its ratio on a non-consolidated basis was 1.13.

【 Non-consolidated 】

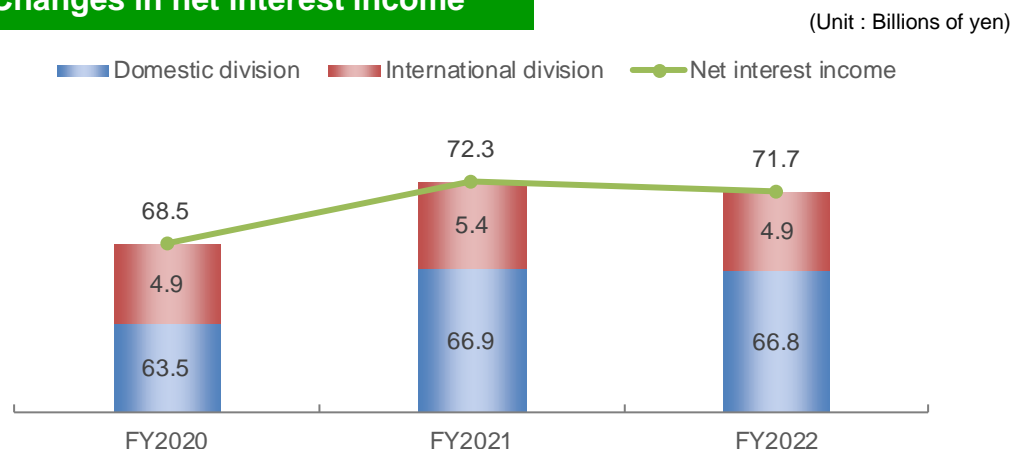
- Focused on restructuring the securities portfolio (losses on bonds 31.4billion yen, gains on stocks, etc. 28.5billion yen)
- Net credit costs were significantly held down to 1.0billion yen, down 6.2billion yen year-on-year. The current situation is stable.

Non-consolidated			
(Unit : Billions of yen)			
	Mar.2022	Mar.2023	YoY
Core business gross profit	85.2	85.9	0.6
Net interest income	72.3	71.7	-0.6
Of which, gains(losses) on cancellation of investment trusts	0.5	0.3	-0.1
Non-interest business profit	12.9	14.2	1.2
Net fees and commissions income	11.0	11.8	0.8
Profit from other business transactions	1.9	2.4	0.4
Expenses	53.3	50.2	-3.0
Core business net profit	31.9	35.6	3.7
Excluding gains(losses) on cancellation of investment trusts	31.4	35.3	3.8
Real net business profit	30.7	6.8	-23.8
Gains or losses on investment securities	9.6	-1.7	-11.4
Net credit costs	7.3	1.0	-6.2
Other non-recurrent gains(losses)	0.2	0.7	0.5
Of which, retirement benefit costs	0.1	-0.7	-0.9
Ordinary profit	34.4	33.5	-0.8
Extraordinary income(losses)	0.6	0.6	-0.0
Net profit	23.3	24.6	1.2

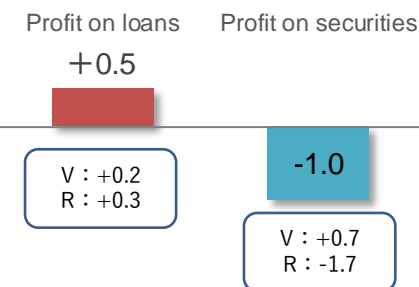
Status of Net Interest Income (non-consolidated)

- Net interest income decreased by 0.6billion yen year-on-year (domestic division-0.1billion yen, international division -0.5billion yen).
International division : profit on loans +0.5billion yen, profit on securities-1.0billion yen (Of which, yield factor-1.7billion yen).

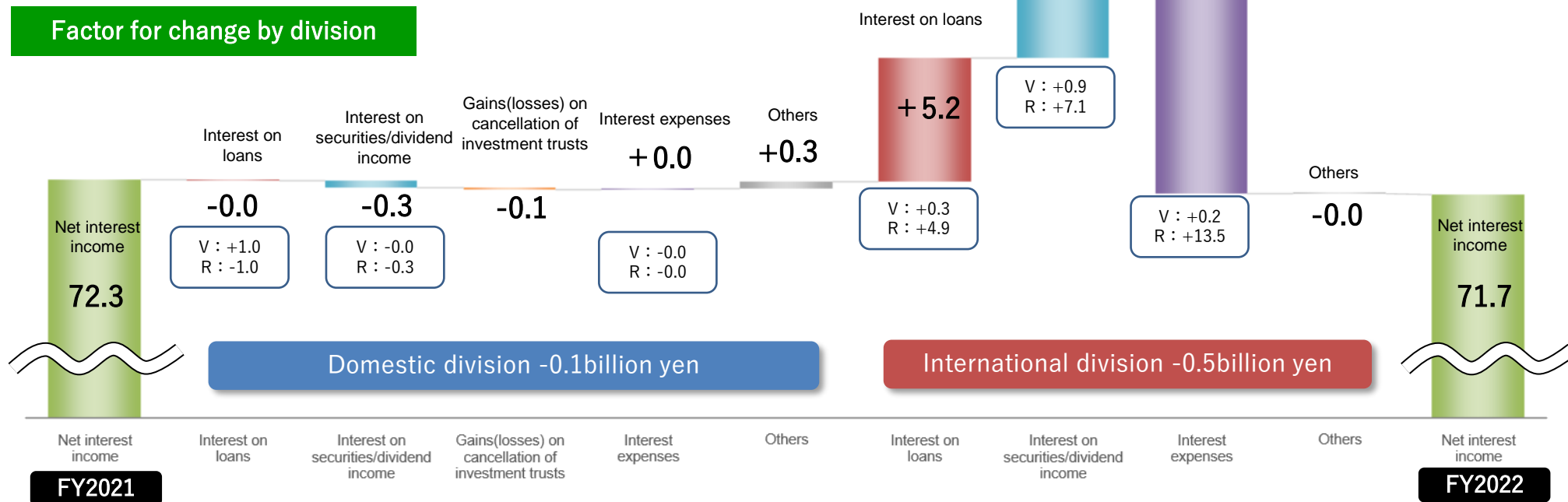
Changes in net interest income



【International profit analysis】



Factor for change by division



Status of Deposits and Loans

● Accumulate loans with high RORA including housing loans, loans for large corporations, and structured finance.

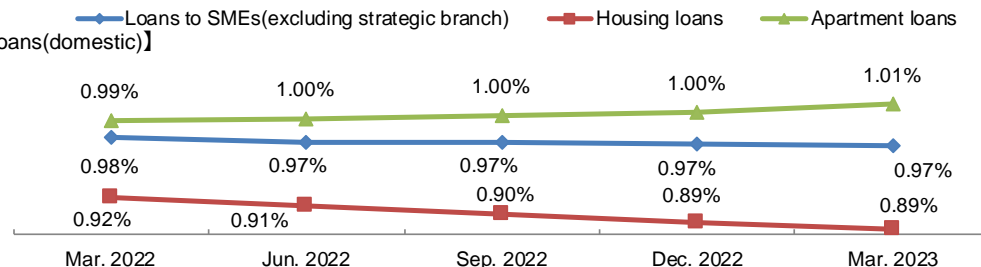
Breakdown of balance

	Mar.2023	Compared to end of Mar. 2022	
		Change	Rate of change
(Unit : Billions of yen, %)			
Deposits, etc.	8,284.1	74.7	0.9
Deposits	8,053.7	83.3	1.0
Of which, deposit to individuals	5,594.7	70.5	1.2
Of which, deposit to corporate customers	1,933.2	29.2	1.5
Certificate deposits	230.3	-8.6	-3.6

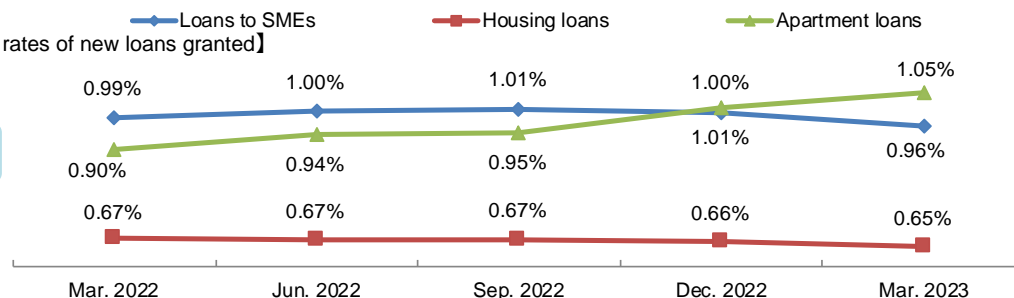
	Mar.2023	Compared to end of Mar. 2022	
		Change	Rate of change
(Unit : Billions of yen, %)			
Loans	6,049.7	231.5	3.9
Retail	4,689.3	39.0	0.8
SMEs *1	2,315.5	2.3	0.1
Individuals	2,373.7	36.7	1.5
Of which, Housing loans	1,381.6	26.1	1.9
Of which, Apartment loans	660.1	10.1	1.5
Of which, Unsecured loans	62.9	5.5	9.7
Others	1,177.5	184.4	18.5
Cross-border loans	121.3	35.5	41.5
Structured finance	64.6	34.6	115.6
Domestic large and second-tier enterprises	857.3	99.8	13.1
Others	134.2	14.3	11.9
Overseas branches	75.6	15.3	25.4
Public	107.1	-7.3	-6.3

Yield on loans

【Yield on loans(domestic)】

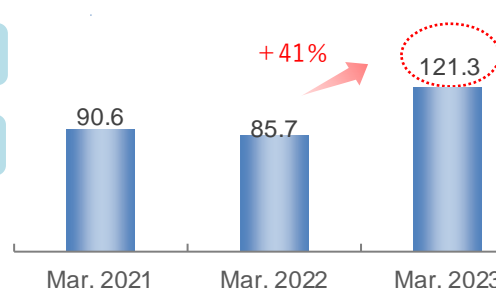


【Interest rates of new loans granted】



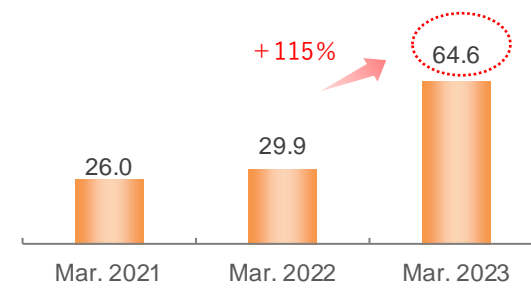
Cross border

(Unit : Billions of yen)



Structured finance

(Unit : Billions of yen)



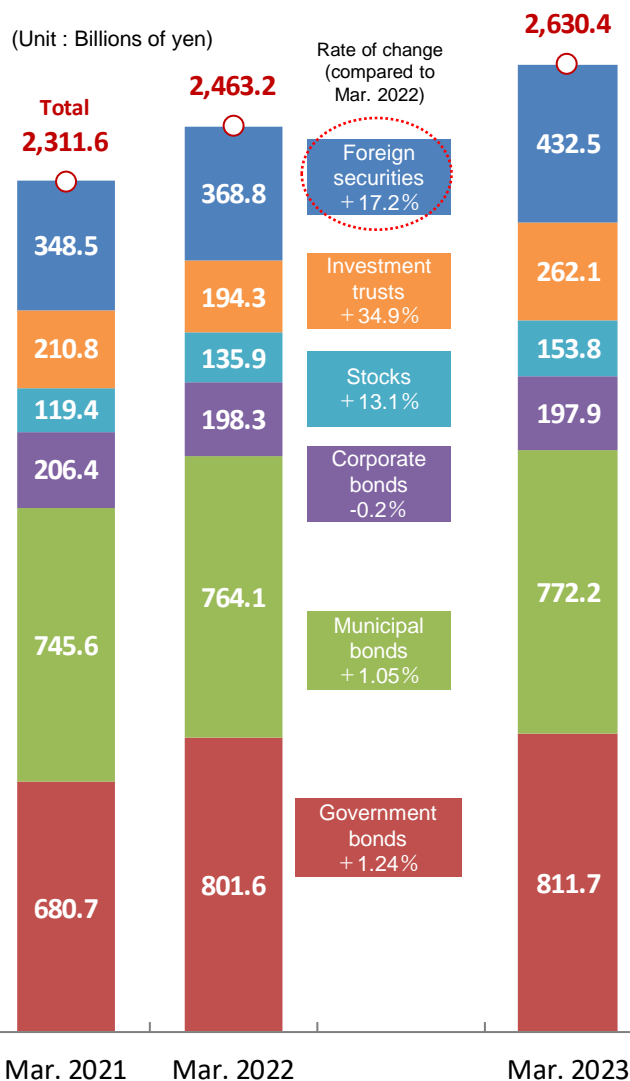
* Regional public corporations and Tokyo/Osaka Branch accounts are classified into Others .

Status of Securities

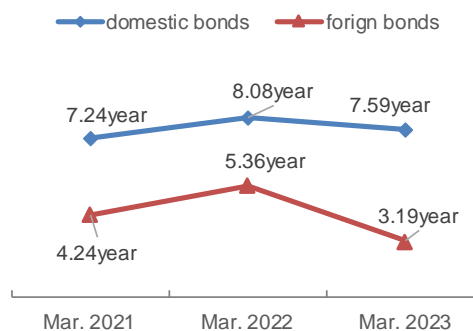
Proactively replace foreign bonds. Reconstruct the portfolio while maintaining the balance

Balance of securities (Book value basis)

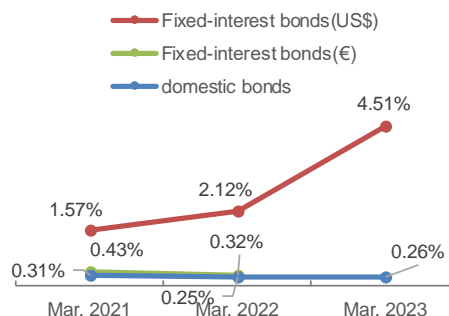
(Unit : Billions of yen)



Duration



Bond yield



Unrealized gains (losses) valuation

	end of Mar. 2022	end of Mar. 2023	YoY	compared to Dec. 2022
Unrealized gains (losses) from valuation	45.7	-6.6	-52.3	35.2
Excluding domestic bonds	59.5	28.1	-31.4	5.7
Foreign securities	-8.3	-0.4	7.9	9.6
Of which, fixed-interest bonds(US\$)	-7.5	-2.4	5.1	2.7
Of which, fixed-interest bonds(€)	-5.0	—	5.0	5.0
Investment trust, etc.	0.2	-25.9	-26.1	-8.9
Stocks	67.7	54.5	-13.1	5.0
Strategically held stocks	59.5	56.2	-3.3	2.8
Investment securities	8.1	-1.7	-9.8	2.1
Domestic bonds	-13.8	-34.7	-20.9	29.4
Of which, government bonds	-13.1	-27.8	-14.6	20.4
Held to maturity purpose	0.0	0.0	-0.0	0.0
Private placement bonds	0.0	0.0	-0.0	0.0

Profit/loss from valuation

	Mar. 2022	Mar. 2023	YoY
Gains or losses on investment securities①	9.6	-1.7	-11.4
Gains(losses) on bonds	-1.2	-28.7	-27.5
Of which, losses on bonds	5.6	31.4	25.8
Gains(losses) on stocks, etc.	10.8	27.0	16.1
Gains(losses) on sale of stocks, etc.	10.9	27.1	16.2
Strategically held stock	5.9	11.1	5.2
Investment securities	5.0	16.0	11.0
Losses on devaluation of stock, etc. (-)	0.0	0.1	0.0
Gains(losses) on cancellation of investment trusts	0.5	0.3	-0.1
Total (①+②)	10.1	-1.4	-11.5

Status of Non-interest Business Profit

The decrease in deposit financial assets, etc. revenue was offset by an increase in corporate service revenue such as syndicate loans, derivatives. Non-interest business profit increased by 0.49billion yen year-on-year. The bank estimate 22.0billion yen for the FY 2023.

Consolidated non-interest business profit

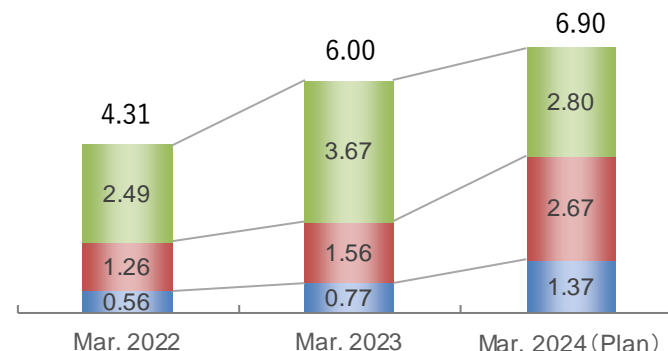
(Unit : Billions of yen)

	Mar. 2023	YoY	Plan for the ending Mar. 2024
Consolidated non-interest business profit	21.02	0.49	22.0
Corporate service revenue	6.00	1.68	6.9
Syndicate loans	0.91	0.31	1.1
Structured covenant loans	0.41	-0.07	0.8
Business matching	0.62	0.07	0.6
Gungin Securities (for corporations)	0.17	-0.12	0.1
M&A	0.39	0.08	0.8
Private placement bonds	0.15	-0.03	0.3
Derivatives (interest rate and foreign exchange)	2.57	0.99	1.5
Gungin Consulting	0.15	0.10	0.4
Others	0.60	0.35	1.3
Deposits financial assets, etc. revenue	6.85	-0.85	7.0
Investment trusts commissions	1.84	-1.03	2.9
Insurance sales commissions (individuals)	2.38	1.01	2.1
Gungin Securities (for individuals)	2.31	-0.93	1.8
Commissions for testamentary trust/inheritance sorting, etc.	0.30	0.10	0.3
Others	8.16	-0.33	8.2
Dividend of group credit life insurance	1.70	0.27	1.7
Base service commissions (domestic exchange, agency services, etc.)	8.01	0.03	7.7
Loan insurance premium	-6.37	-0.33	-6.6
Gungin Leasing	2.57	0.09	2.8
Gunma Credit Guarantee	1.61	-0.05	1.6
Other, consolidated reconciliation	0.62	-0.34	1.0

Corporate service revenue (breakdown by support)

(Unit : Billions of yen)

■ Business succession support ■ Financial support ■ Core business support



Sales activities based on goals and needs

Strengthen financial support and business succession support by utilizing "the Connecting Process".

Optimization of the promotion structure for financial assets in custody

⇒ Transition to stock

- Revise customer segments through collaboration between banking and securities / Asset management sales practice
- Revise customer segments **according to the clarified roles** of banking and securities.

Gungin Securities (management needs)	Make proposals as a specialist in financial asset management to meet a more specialized and broader range of asset management needs. (Individuals/corporations)
Bank (total advices)	Make proposals to asset formers and beyond the coverage area of Gungin Securities utilizing in-person and impersonal channels.

- Secure appropriate revenues (revenue as consideration for proposals) **by practicing asset-management-type sales**, and conduct reskilling of employees.
- Propose services (asset management, asset formation, asset succession) tailored to customer segments and customer needs in collaboration with **the wealth management group**.
- Respond to the new NISA system
 - Approach to NISA account holders by bank and securities.
 - Implement measures to acquire accounts for **the new NISA system**, build up mutual fund balances, and strengthen services for accumulated mutual funds.

Status of Core Business Profit

Customer service business profit remained consistently in the black. Core business profit increased 16.8billion yen year-on-year to 45.8billion yen.

* Customer service business profit = Loan profit (Average loan balance x Deposit and loan direct profit margin) + Net fees and commissions income – Operating expenses

* Customer service business profit ratio = Customer service business profit / Average deposit balance

(non-consolidated basis)

	Customer service business profit ratio	Customer service business profit				Average loan balance	Deposit and loan direct profit margin
			Loan profit	Net fees and commissions income	Operating expenses		
Mar. 2019	0.14%	9.2	56.3	10.5	57.6	5,491.3	1.03%
Mar. 2020	0.16%	11.1	56.0	9.8	54.6	5,523.1	1.02%
Mar. 2021	0.12%	9.2	53.9	10.9	55.6	5,689.0	0.94%
Mar. 2022	0.13%	10.6	53.2	11.0	53.6	5,700.0	0.94%
Mar. 2023	0.25%	19.8	57.6	11.8	49.6	5,835.5	0.98%

B

A+B

(Unit : Billions of yen)

Interest and dividends on securities*	Core business profit
19.1	28.3
17.4	28.5
15.2	24.5
18.3	29.0
26.0	45.8

*excluding gains(losses) on cancellation of investment trusts

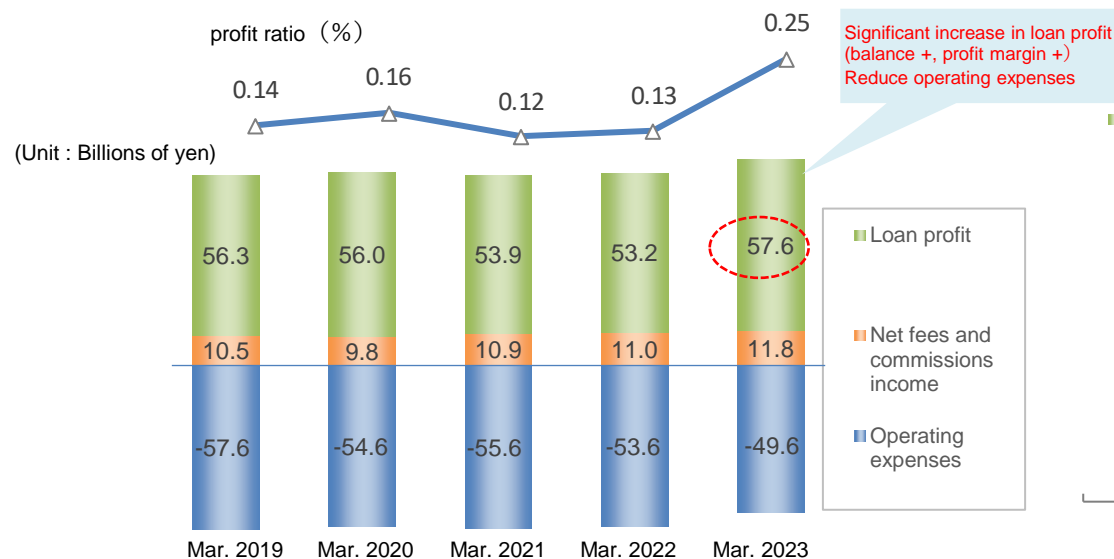
○Calculated with domestic division only

A	B	A+B
10.4	13.7	24.2
15.2	13.4	28.6

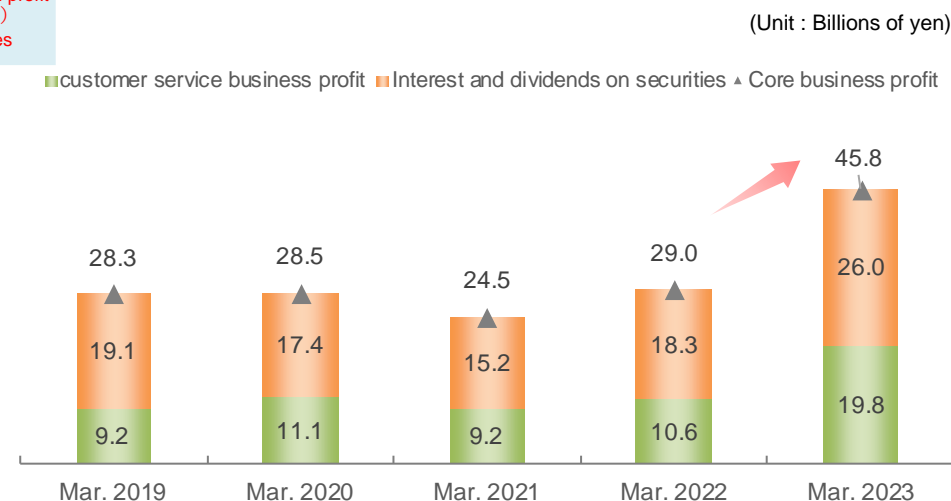
+16.8 billion yen

+4.4 billion yen

【 Breakdown of customer service business profit 】



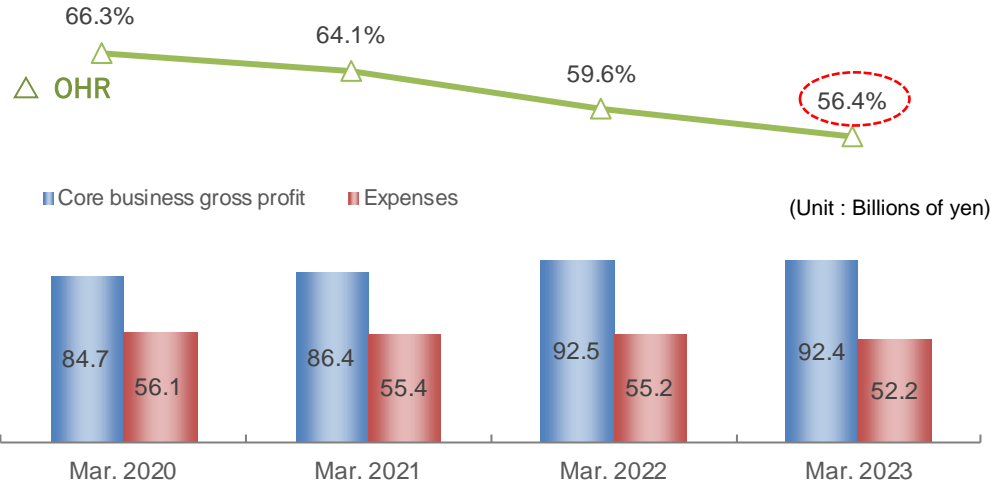
【 Breakdown of core business Profit 】



Status of Expenses

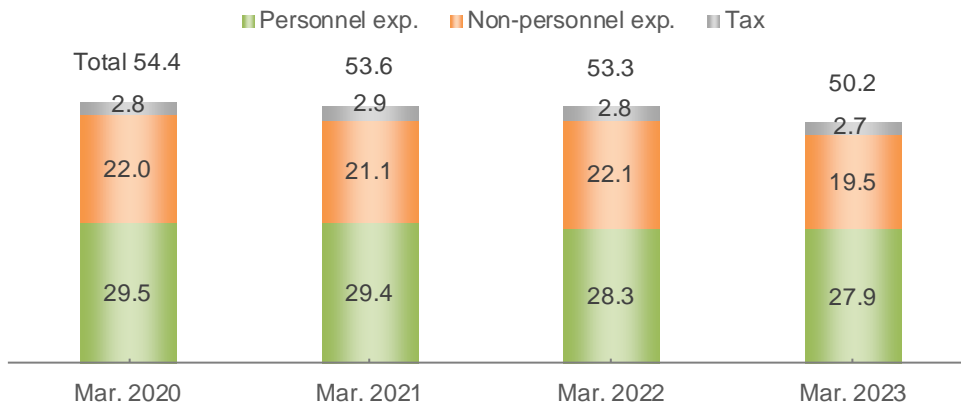
Due to reductions in deposit insurance premiums, outsourcing cost and maintenance expenses for branches and ATMs, there was a decrease of 2.9billion yen year-on-year. Consolidated OHR amounted 56.4%, down 3.2 points year-on-year.

Consolidated basis



Breakdown of non-consolidated expenses

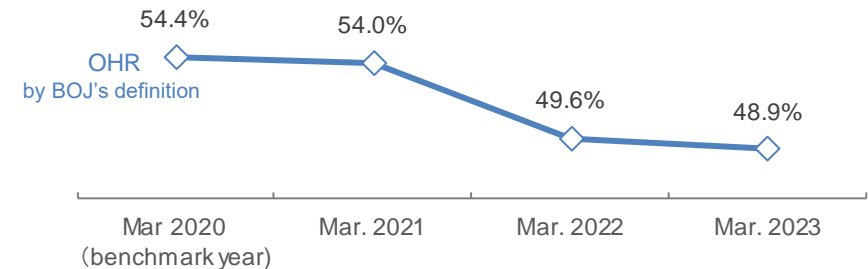
(Unit : Billions of yen)



Response to the BOJ special current deposit facility

By achieving of the OHR improvement ratio, we will be expected to earn 0.8 billion yen.

Benchmark year	1st year (Mar. 2021)	2nd year (Mar. 2022)	3rd year (Mar. 2023)
Improvement rate of OHR	1% or more	3% or more	4% or more
Results	0.8%	8.9%	10.0%
Judgement	×	○	○



【Factor for change on non-consolidated expenses】

(Unit : Billions of yen)

	Mar. 2023	YoY	Main factors
Expenses	50.2	-3.0	
Personnel exp.	27.9	-0.3	Salaries and allowances-0.17, Temporary employment exp. -0.14
Non-personnel exp.	19.5	-2.5	Deposit insurance premiums-1.06, Maintenance cost-0.31, Outsourcing cost-0.40
Tax	2.7	-0.0	Stamp tax (change payment method)-0.08

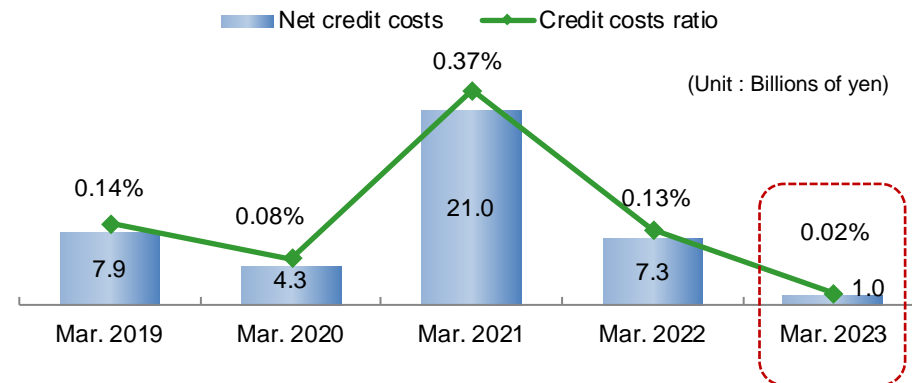
Status of Net Credit Costs(non-consolidated)

- Net credit costs were significantly held down to 1.0billion yen year-on-year. The current situation is stable.
In the FY 2023(Plan), the Bank plans to amount 2.5billion yen.

Breakdown of credit costs

(Unit : Billions of yen)	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024 (Plan)
Net credit costs	21.0	7.3	1.0	2.5
Transfer to general provision for possible loan losses	14.5	-1.5	-1.8	-0.0
Change to the actual rate	-0.6	-0.3	-0.8	0.1
DCF	14.0	-0.9	-0.7	-
Others	1.1	-0.2	-0.3	-0.1
Disposal of non-performing loans	6.4	8.9	2.9	2.5
Dow ngrade	8.9	12.0	7.2	5.1
Collection, upgrade, etc.	-2.3	-3.8	-4.5	-3.0
Others	-0.2	0.7	0.2	0.4
Gain on the collection of claims w ritten-off (-)	0.0	0.0	0.0	-

Changes in credit costs and its ratio



Provision ratios by borrower category

(Unit : %)				Provision target	Period	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024 (Plan)
Normal borrowers				Entire claim amount	1 year	0.068	0.066	0.047	0.047
Borrowers requiring attention other than special attention	Borrowers without realistic, comprehensive business reconstruction plans	Classification1	Entire claim amount	3 years	0.941	0.911	0.959	0.920	0.920
	Borrowers with realistic, comprehensive business reconstruction plans	Classification2	Entire claim amount	3 years	5.764	5.574	5.496	5.821	
Borrowers requiring special attention				Entire non-coverage amount	3 years	28.736	28.459	27.742	28.286

Impact of COVID-19 (Quarterly basis)

(Unit : Billions of yen)		Mar. 2022				Mar. 2023			
		1 Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Impact of COVID-19		1.0	2.5	0.8	4.5	0.2	0.7	0.3	1.0
Transfer to general provision for possible loan losses		0.3	1.2	0.3	0.1	0.2	0.3	0.1	0.1
Disposal of non-performing loans		0.6	1.3	0.5	4.4	0.0	0.4	0.1	0.9

Business Forecast (for the FY Ending March 2024)

Consolidated core business net profit excluding gains on cancellation of investment trusts will be expected to decrease by 1.6 billion yen compared with the previous FY to 38.3 billion yen . Profit attributable to owners of parent will be expected to amount 28.0 billion yen.

Consolidated		Forecast for Mar. 2024	
(Unit : Billions of yen)			YoY
Core business gross profit		91.5	-0.9
Net interest income		69.4	-2.0
Non-interest business profit		22.0	1.0
Of which, corporate service revenue		6.9	0.9
Of which, deposit financial assets, etc revenue		7.0	0.2
Expenses		53.1	0.9
Core business net profit		38.3	-1.9
Gains on cancellation of investment trusts		38.3	-1.6
Net credit costs		2.9	1.7
Ordinary profit		40.0	1.7
Profit attributable to owners of parent		28.0	0.1

Non-consolidated		Forecast for Mar. 2024	
(Unit : Billions of yen)			YoY
Core business gross profit		85.2	-0.7
Net interest income		69.7	-2.0
Non-interest business profit		15.5	1.3
Of which, corporate service revenue		13.7	1.9
Of which, deposit financial assets		1.7	-0.6
Expenses		51.2	1.0
Core business net profit		34.0	-1.6
Gains on cancellation of investment trusts		34.0	-1.3
Gains and losses on securities, etc.		3.4	5.2
Net credit costs		2.5	1.5
Others		1.0	0.2
Ordinary profit		36.0	2.5
Profit		25.0	0.4

Profit basis
(main breakdown)

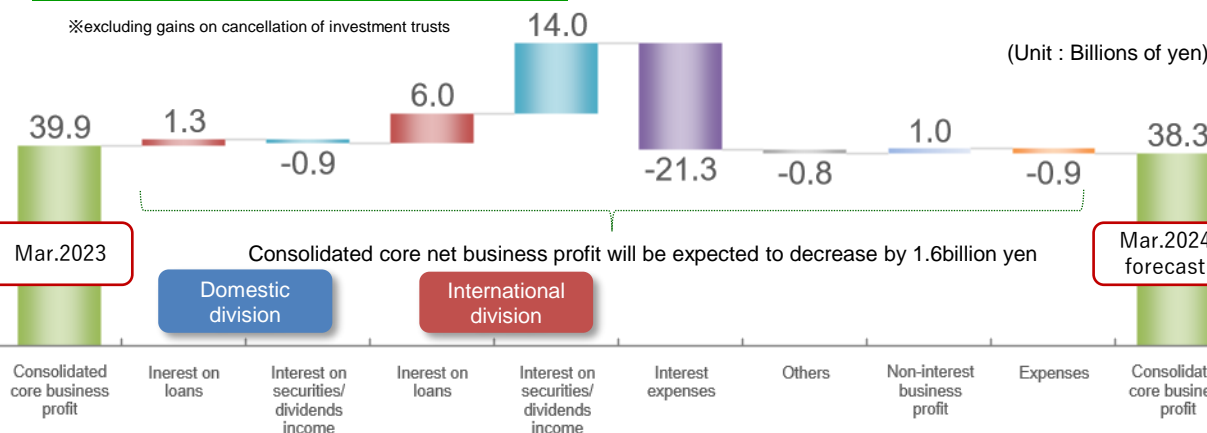
Profit on loans
+ 1.7billion yen

Profit on securities
-2.5billion yen

BOJ's special interest
-0.8billion yen

Breakdown of changes in consolidated core business profit

※excluding gains on cancellation of investment trusts



Average balance and yields(non-consolidated)

(Unit : Billions of yen, %)					
	Average balance	YoY	rate of change	Yields	YoY
Loans	6,066.4	230.8	3.9%	1.09	0.08
Of which, domestic	5,793.0	181.1	3.2%	0.90	-0.00
Securities	2,748.3	300.0	12.2%	1.43	0.36
Of which, domestic	2,221.1	149.9	7.2%	0.57	-0.08
Deposits	7,964.0	72.5	0.9%	0.02	0.00
Of which, domestic	7,915.8	87.9	1.1%	0.00	0.00

II . Capital Policy

Shareholder Return

The Bank has resolved to acquire treasury shares (total cost of acquisition : up to 5.0billion yen). Total shareholder return will be 51%.

The annual cash dividends per share for FY 2023 will be planned to be 20 yen, up 2 yen compared with FY 2022.

The dividend has increased for three consecutive fiscal years.

Shareholder return policy

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth. Specifically, the Bank is setting a target of **40% of profit attributable to owners of parent** for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

Dividends

Cash dividends(forecast) : +2.0yen

	Interim	Year-end	Total
FY2021	7yen	7yen	14yen
FY2022	8yen	10yen	18yen
FY2023	10yen	10yen	20yen

Share buy-backs

Acquisition of treasury shares (up to 5.0billion yen)

To enhance shareholder's value through the implementation of flexible capital policies and the improvement of capital efficiency

Total number of shares to be acquired	Up to 12.5 million shares
Total cost of acquisition	Up to 5.0 billion yen
Acquisition methods	Market purchase (including ToSTNet-3)

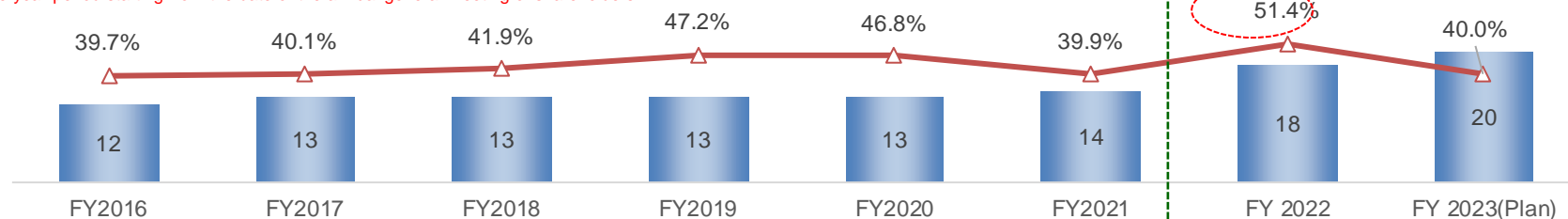
Results of shareholder return

■ Dividend per share ▲ Shareholder return ratio

Non-consolidated basis

Consolidated basis (FY 2022~)

*In calculating the shareholder return ratio, the amount of treasury stock buybacks is calculated based on the amount of stock buybacks during the one-year period starting from the date of the annual general meeting of shareholders.



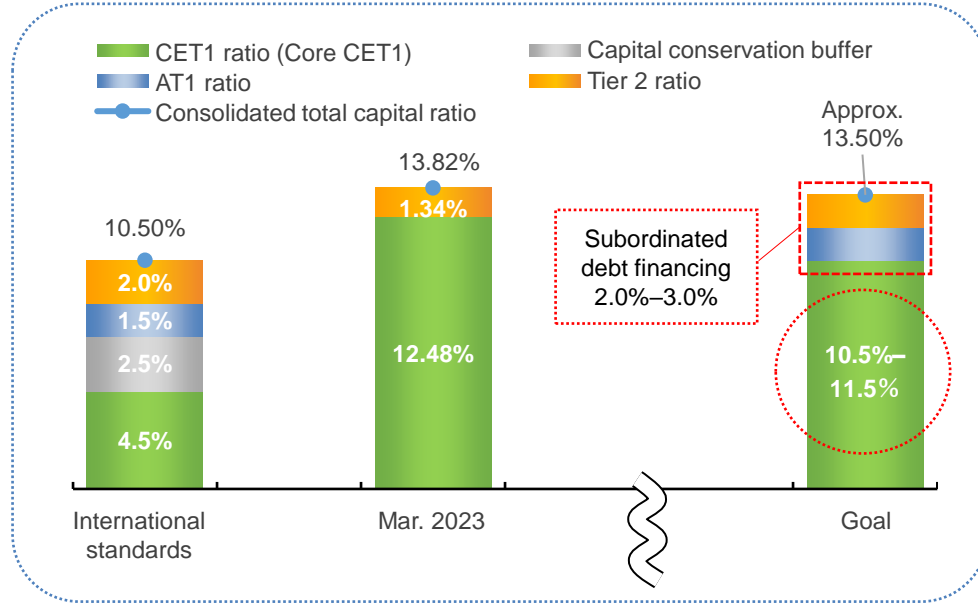
(Unit : Billions of yen)

Total amount of shareholders return	10.0	10.4	8.7	8.4	5.4	9.3	14.3	11.2
Total amount of dividends	5.3	5.6	5.5	5.4	5.4	5.8	7.3	(8.0)
Share buy-backs	4.6	4.7	3.2	3.0	—	3.4	7.0	(3.2)
Profit(non-consolidated)	25.2	26.0	20.9	17.9	11.6	23.3	24.6	25.0
Profit attributable to owners of parent	26.3	28.3	23.3	22.2	13.5	26.4	27.9	28.0
Consolidated dividend payout ratio	20.2%	19.9%	24.0%	24.6%	40.4%	22.1%	26.4%	29.0%

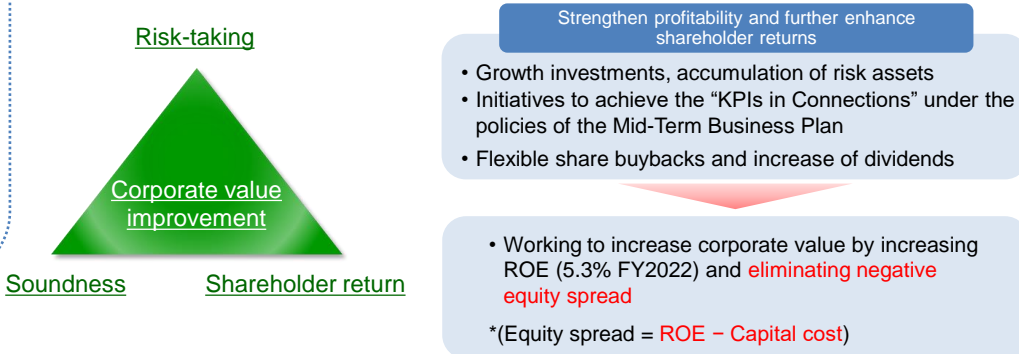


Management of core CET1 capital

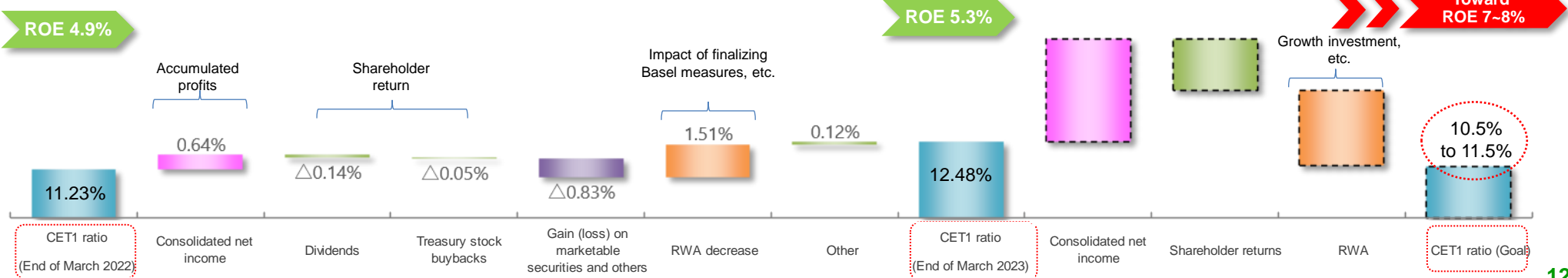
- In capital management, focus on the **Core CET1 ratio**, which is common equity Tier 1 minus unrealized gains (losses) on securities, and set a medium- to long-term target of **10.5% to 11.5%**.



Core CET1 ratio	Operation
Over 11.5%	<ul style="list-style-type: none"> Flexible shareholder returns Capital utilization to enhance profitability
Target range 10.5%–11.5%	<ul style="list-style-type: none"> Maintenance of stable dividends, flexible treasury stock buybacks Utilization and accumulation of capital to enhance profitability
8.0%–10.5%	<ul style="list-style-type: none"> Maintenance of stable dividends, risk asset control Capital accumulation to improve core CET1
Less than 8.0%	<ul style="list-style-type: none"> Revision of the return policy, risk reduction, capital reinforcement



Capital allocation toward our target



Reduction Target of Shares for Policy Purposes

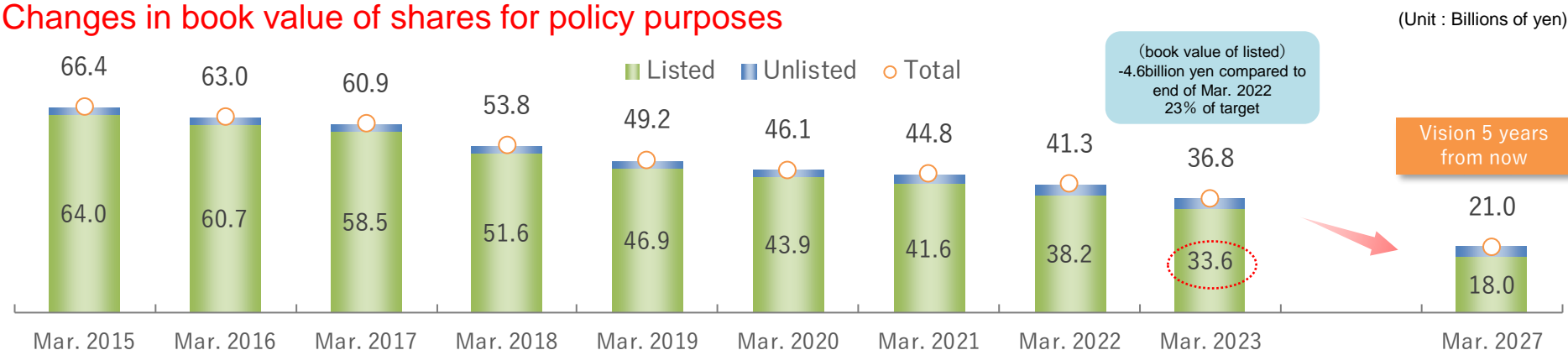
● The Bank plan to reduce listed shares with **a book value by 50% (20 billion yen)** over 5 years during FY2022 ~ FY2026.

► Shares for policy purposes policy and verification

- The Bank's policy is to hold shares for policy purposes when the significance of such holdings is recognized, such as to maintain and strengthen business relationships with customers and to revitalize the local economy, and to basically reduce the number of such holdings.
- With regard to each equity security held for policy purposes, the Bank examines the appropriateness of holding such shares comprehensively after examining economic rationality, using medium-long-term business relationships, RORA*.

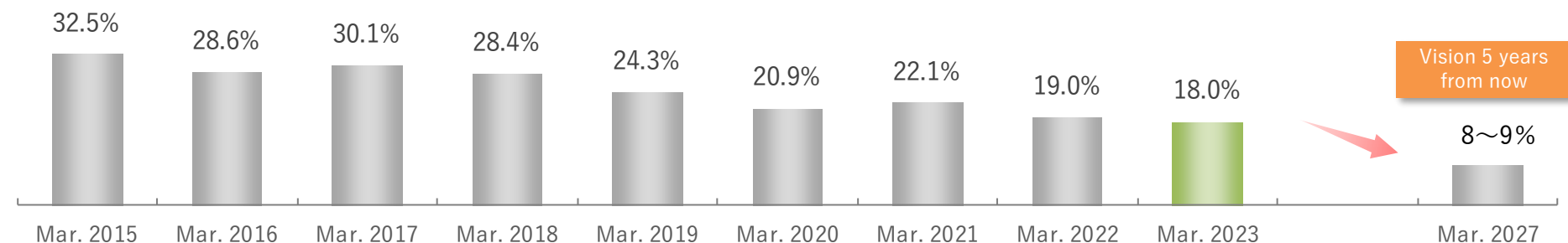
(※) RORA = (Profit after deducting expenses and credit costs + dividends received) / Risk assets of loans and shares

► Changes in book value of shares for policy purposes



reduce the book value by 50% (20 billion yen)

► Changes in market value ratio to consolidated net assets



III. Management Strategies

Strategic Themes and Key Measures

Basic policy 1 Implementation of digital strategies as the foundation for "Connections and Spinning the Threads"

P15~P17

Basic policy 2 Reinforce strengths in "Connections" by five reform initiatives

1 Sales process reforms with emphasis on progress and autonomy

- Clarification of regional strategies through "District Governance Structure" and autonomous sales branch operations
- Strengthen problem-solving capabilities through effective division of functions between branches and headquarters
- Establish a new sales style based on the New Normal
- Improve CS by strengthening medium- and long-term relationships with customers on a goal basis

2 Business process reforms that contribute to increasing productivity

- Efficient branch operations through administrative reforms
- Review of existing operations centered on the advancement of business reform projects
- Initiatives to optimize system costs
- Enhance information and data utilization

3 Channel reforms that adapt to changes in the environment and customer needs

- Enhance "DigiCal" strategy by strengthening channel collaboration
- Expand digital channels such as personalized apps
- Improve customer experience through face-to-face channels, including expansion of specialized consultation centers
- Optimize branch network and functions based on regional characteristics
- Improve financial services through renewal of API infrastructure

4 Personnel reforms for exercising creativity

P24~P26

- Transition to a future-oriented personnel system that emphasizes job performance
- Strengthen comprehensive human resource capabilities that contribute to social and customer needs
- Develop specialized human resources in light of the changing environment
- Maximize performance by strengthening talent management
- Enhance the organization by realizing the wellbeing of each executive and employee

5 Reforms in collaboration with external parties for improving strengths

- Collaboration with other banks to create profit-earning opportunities and improve productivity
- Regional collaboration to strengthen response to regional issues
- Cross-industry collaboration to gain new strengths and complement weaknesses

P22

Basic policy 3 "Spinning the Threads" of the future by exercising our strengths in "Connections"

1 Involvement or the like in regional sustainability/Initiatives for SDGs and ESG

- Proactive response to regional issues through industry-government-academia collaboration, etc.
- Foster local industry and aid business founding for sustainable development of the local economy
- Strengthen initiatives for sustainable finance
- Expansion of products, services, and consulting to promote SDGs initiatives
- Efforts toward carbon neutrality and TCFD compliance

P27

2 Coronavirus-ready support for finance, core business and succession of the businesses

- Appropriate financial support in line with the customer's situation
- Strengthen support for core business based on customers' apparent and inapparent needs
- Solution proposals with business succession support as a starting point
- Strengthen initiatives in structured finance
- Expand support for overseas expansion, overseas transactions, and foreign exchange transactions

P18

3 Personalized consulting service for each individual customer

P19

- Enhance marketing to individuals
- Expand wealth management functions and services for seniors
- Enhance support in the area of asset formation
- Respond to diverse investment needs by strengthening cooperation between banks and securities companies
- Strengthen lending to individuals

4 Exploring new business opportunities through the Group's comprehensive capabilities and deepening existing businesses

P20~P21

- Business development in the areas of human resources, regional trading companies, and ICT/DX
- Explore new business areas in finance
- Explore non-financial business areas that contribute to solving regional issues
- Promote cashless services to build regional ecosystems
- Maximize consolidated earnings by leveraging the Group's comprehensive strengths

5 Reinforcement of our management structure to consistently demonstrate our strengths in "Connections"

P23~P28

- Improve profitability by upgrading market management systems
- Efforts toward integrated management and operation of earnings, risk, and capital
- Enhance corporate governance and implementation of a balanced capital policy
- Enhance compliance and prevention systems against money laundering, etc.
- Sustainable development of financial infrastructure in consideration of changes in the environment

For "Purpose"

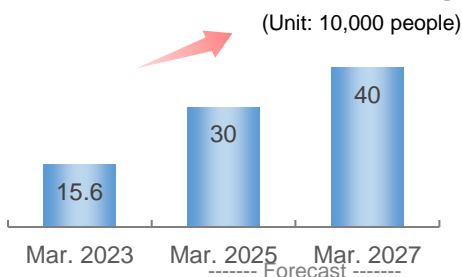
Promote digitalization as a base for each strategic theme in order to reinforce strengths in "Connections" and spin the threads of the future

► Gungin App (Service started in April 2022)

- Simple and user-friendly, 24/7/365 banking, peace-of-mind security
- The closest channel for individual customers
 - ⇒ Added functions such as payment of taxes and public duties, display of scheduled withdrawal details, etc.
 - ⇒ Functions will be added for mutual fund transaction (scheduled for September 2023) and electronic delivery (scheduled for September 2024).

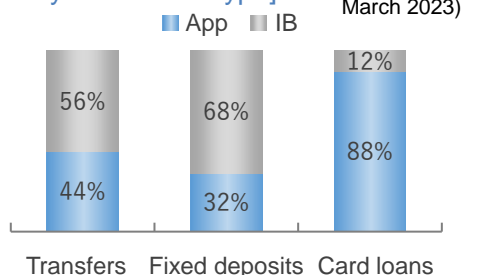


[App users]



Maximize use as a front channel for marketing

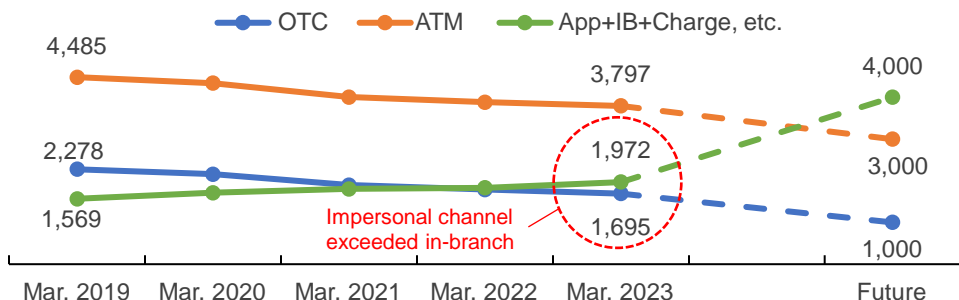
[Share by transaction type]



Transactions shifted from IB to the app during the first year after launch

(Reference) Transactions by channel

- Digital channels such as apps will become the central customer contact point.



► Gungin Business Portal (Scheduled for July 2023)

- New digital channels for corporations and individual business owners
 - ⇒ Available without visiting a branch, optimal products and services and information for each customer, visualization of the transaction statuses of accounts at multiple financial institutions in graph format
- Can apply for Business Internet Banking and receive financial statements electronically

[Examples of efficiency improvement]

	Time reduction/case
Web-based receipt of financial statements and tax declarations	-100 min.
Web-based business matching consent	-70 min.



► In-branch tablets (Scheduled for January 2024)

- Customer-oriented UI (User Interface) construction and radical reformulation of clerical work
 - ⇒ Realize paperless, operation-less, and seal-less clerical work by introducing self-service terminals
 - ⇒ Aim to significantly reduce back-office processing times, become paperless, and significantly reduce terminals and costs in the next sales branch system (January 2028)

	Effect of reduced back-office processing time/case
Opening of ordinary deposit accounts	-45 min.
Various forms (change of address/phone number, etc.)	-25 min.

In-branch tablets rollout schedule

(1) Service start (2) Phase 2 (3) Phase 3

- Jan. 2024: New savings account agreements, change of address or phone number, etc.
- May 2024: New contract or cancellation of automatic fixed deposit, and notifications of loss, reissuance, or name changes, etc.
- Nov. 2024: Expansion to impersonal channels

Realization of Digital Strategy (Basic Policy 1)

For "Purpose"

Transform data into valuable information and convey that information to customers, communities, and banks by the best possible timing and method

~Advanced Data Utilization~

Region

1

Contribution to regional revitalization through data utilization

Customers

2

Realization of One-to-One marketing

Bank

3

Establishment of a data-driven management system

1 Provide new services utilizing data

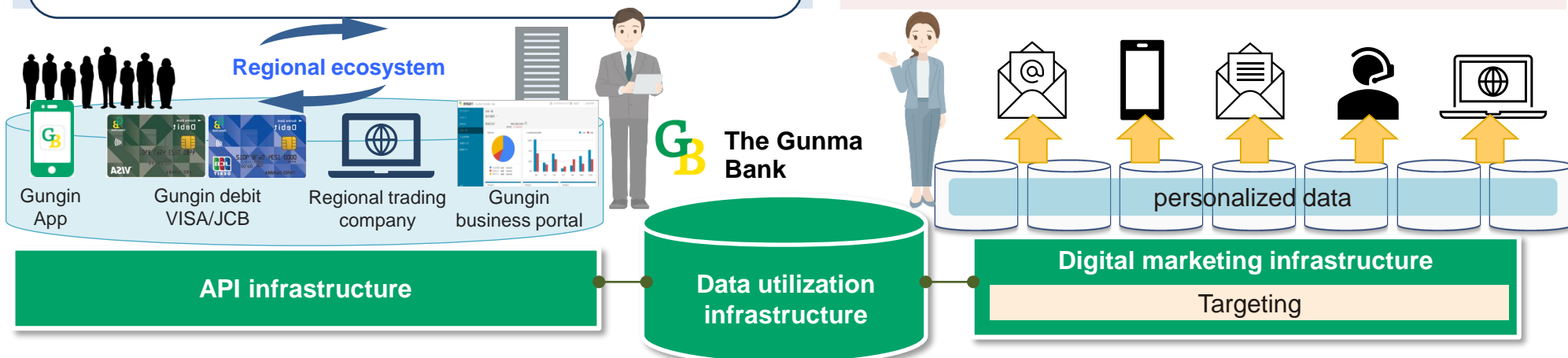
- **Promote cashless** transactions in the region and provide new services using data with a view to expanding customers' businesses, thereby recirculating and expanding the regional ecosystem
- Accumulate payment data by providing **debit cards**, which is scheduled to start in January 2024. This will lead to more sophisticated marketing and collaboration with regional trading company businesses by combining data with account information, etc.

- ✓ Digital promotion
- ✓ Advertising and sales promotion support
- ✓ Branding
- ✓ New product development
- ✓ Purchase type crowdfunding site / EC site, etc.
- ✓ Marketing support utilizing payment data
- ✓ Matching and staffing
- ✓ Purchasing trend analysis
- ✓ Demand forecasting, etc.

2 Delivers information optimized for customers at the optimal time

- Build a digital marketing infrastructure to provide customers with the services and information they need at the optimal time to match their lifestyle and daily events
- Propose products and services in line with customers' life plans and needs through the optimal channels (digital/real, etc.) tailored to each customer.

Improve customer engagement by strengthening customer contact points in order to deepen relationships with customers.



Realization of Digital Strategy (Basic Policy 1)

For "Purpose"

Transform data into valuable information and convey that information to customers, communities, and banks by the best possible timing and method

~Advanced Data Utilization~

Region

1 Contribution to regional revitalization through data utilization

Customers

2 Realization of One-to-One marketing

Bank

3 Establishment of a data-driven management system

3 Utilize visualized data for decision making

- On a dashboard, visualize necessary information such as figures and the promotion status of each policy by automatically aggregating information stored in the data lake.

Reduce lead time to management decision-making.
Reduce reporting as well.



- ✓ Corporate KPI dashboard
- ✓ Various targets
- ✓ Sales promotion status
- ✓ Qualitative analysis report, etc.

Board member headquarters



Sales office

- Employees use the analysis tools themselves for utilizing data by establishing a PDCA cycle for analysis (analysis, effectiveness verification, and planning of measures based on analysis results).

Analysis system



Accompanying support by data scientists



Analysis by the relevant personnel in charge.
Analysis using tools.



Utilize analysis results in the operations of each department.
Formulate next measures.

Output



- ✓ Various product purchase forecasts
- ✓ Risk assessment and analysis
- ✓ Factor and trend analysis, etc.

- ✓ Personal development
- ✓ Advance analytical support

Dashboard infrastructure

Automatic aggregation



Input of report content



In-house development



The Gunma Bank

Data lake

Date analysis tools

Data linkage

Data lake

Fincross DIGITAL

Wide-area collaboration of eight regional banks for the purpose of financial digitization

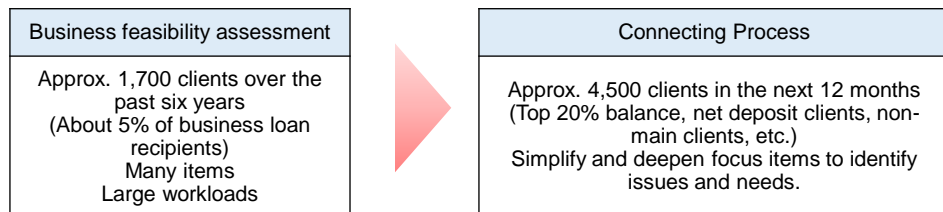
Initiatives for Corporations (Basic Policy 3-2)

For "Purpose"

Spin the threads of the future by connecting the various values of the Bank and the region to businesses

Sales activities based on goals and needs

- Started **Connecting Process** as a new business assessment in October 2022



Connecting Process

Created Process Sheets for approx. 2,500 clients in 6 months.



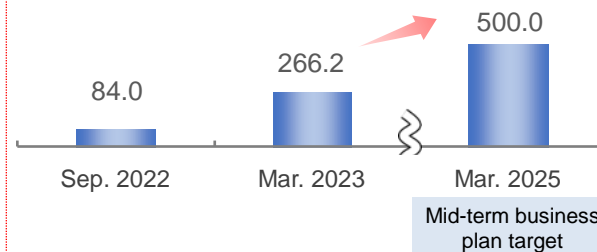
* Create a sheet and continuously iterate the PDCA cycle.

- Enhance overall profitability by utilizing the tool for improving employees' communication skills, acquiring new business, and marketing.

Financial, core business, and business succession support (KPIs in Connections)

Sustainable finance

[Trend in financing amount] (Unit: Billion yen)



OSustainability Linked Loan

FY2022 Loan amount	SLL	Gungin SLL
	11.5 billion yen	2.2 billion yen

OSDGs private placement bond "Green and Foods Support Plan"

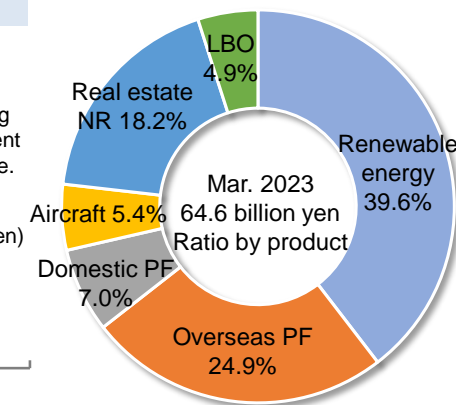
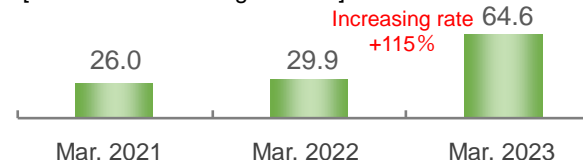
Issues	Issuance amount
81	5.5 billion yen

GUNMA DAIHOKUETSU ALLIANCE
群馬・第四北越 アライアンス

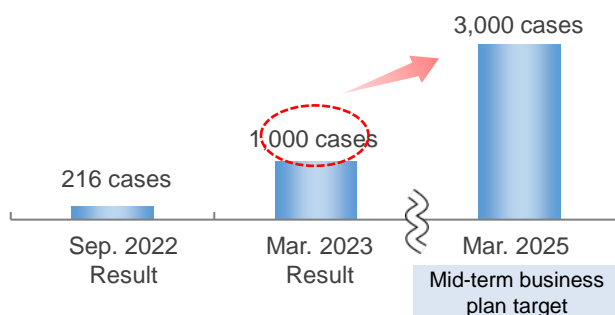
Structured finance

- Strengthened the promotion structure by reorganizing the Specialized Finance Department into a department that specializes in the promotion of structured finance. (April 2023)

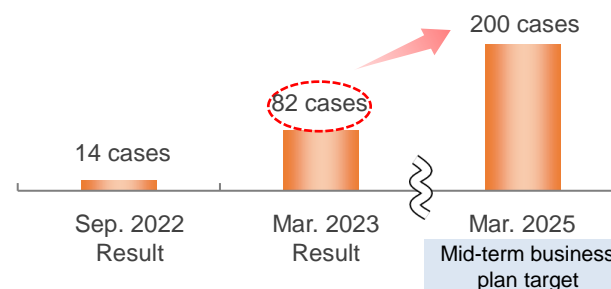
[Trend in outstanding balance] (Unit: Billion yen)



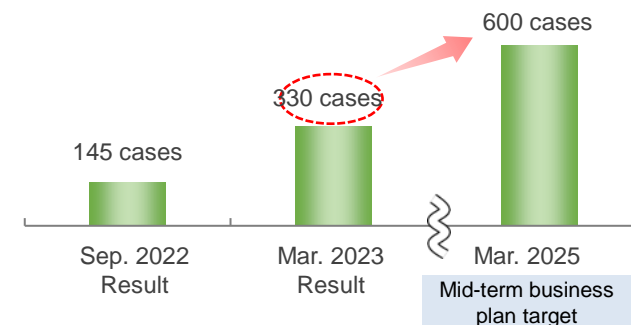
[Number of successful business matching cases]



[Number of successful personnel referrals]



[Number of business succession issues resolved]



For "Purpose"

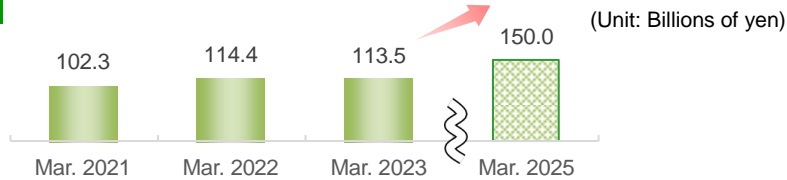
Contribute to prosperous future of individuals by supporting them according to their life-stage



Housing loan promotion

- Strengthen the housing loan promotion structure to further expand market share in Gunma prefecture.
 - ⇒ Bolster competitiveness by revising the product features of the loan-fee-based interest rate plan.
 - ⇒ Change the maximum borrowing period from 35 to 40 years in consideration of customer needs.

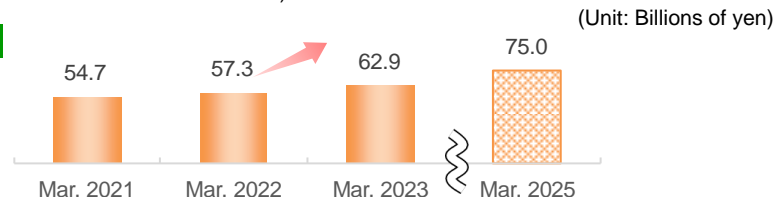
Trend in amount



Unsecured loan promotion

- Strengthen promotion of unsecured consumer loans to match customer needs for life events.
 - ⇒ Improve convenience by implementing campaigns according to demand timing and product revisions.
 - ⇒ Provide information linked to the Gungin app (scheduled for January 2024).
(One to One push notifications for each event)

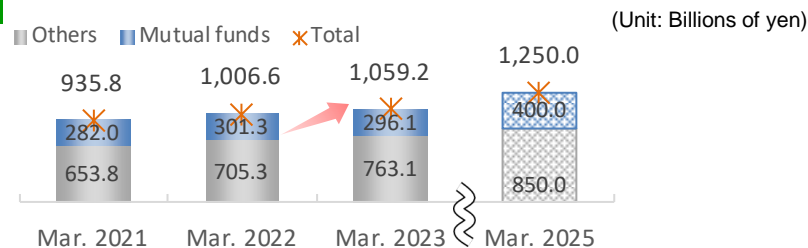
Trend in balance



Deposit assets

- Promote asset-management-type sales by revising customer segments in integrated banking and securities operations.

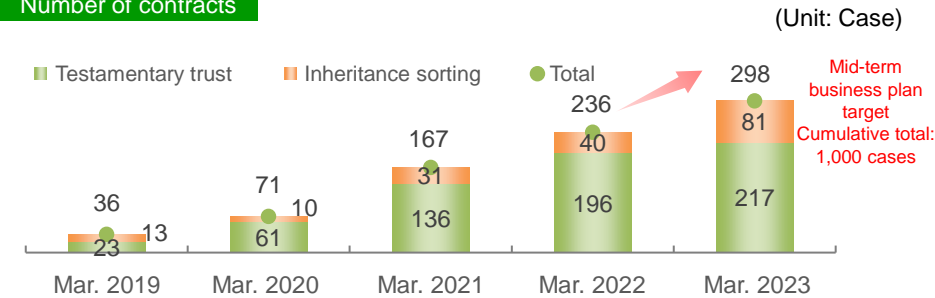
Trend in balance



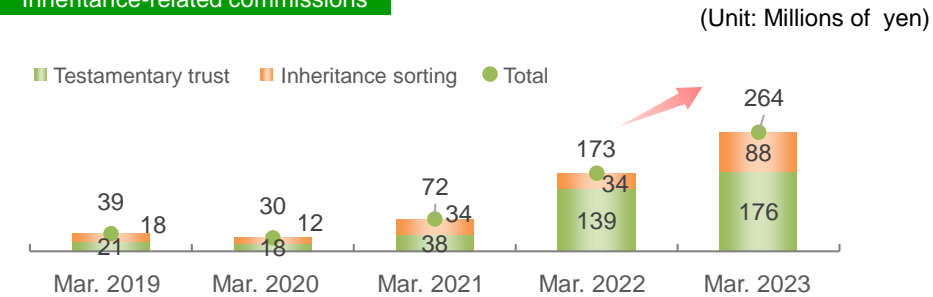
Inheritance-related operations

- In Gunma Prefecture, the percentage of the population aged over 65 has reached **31%** (FY2022), and the potential demand market is on an expansion trend.
- Wealth Management Group collaboration
 - ⇒ Strengthen initiatives in inheritance-related services, starting from transactions with wealthy individuals and business succession.

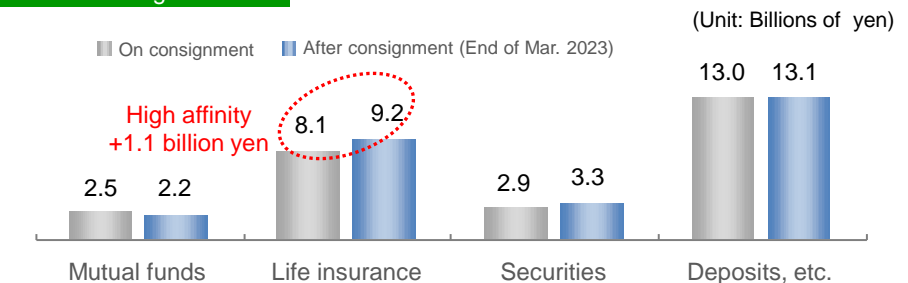
Number of contracts



Inheritance-related commissions



Cross-selling situation



Initiatives by Group Companies (Basic Policy 3-4)

For "Purpose"

Contribute to the future of local communities by providing value that goes beyond existing business areas as a Group-wide effort

► Gungin Consulting

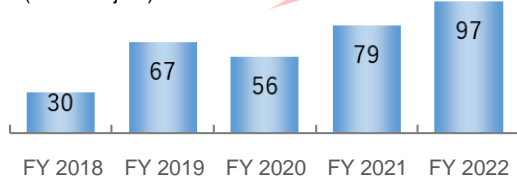
Established in 2018, net income **returned to profitability** in FY2022.

Obtained approval for an advanced non-banking and banking service company, and started a human resource solution business, regional trading company, and other businesses in April 2023.

● Consulting performance (October 2018–March 2023)

- Have handled approx. 800 consultations cumulatively since opening.
- Won contracts for **329 projects**.

(Unit: Project)



● Human resource solution business

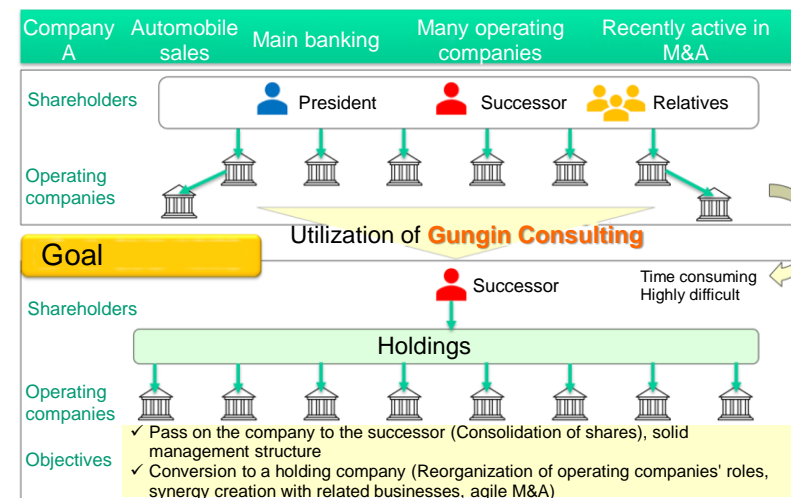
- Transferred the recruitment business to expand its service provision structure.
- Launch of temporary staffing (employment placement dispatching) and other services one after another.
- ⇒ Connecting local businesses with human resources who want to work in the region by expanding and upgrading human resource services.



● Regional trading company, marketing and advertising business

- Opening of a purchase-type crowdfunding website with the aim of creating new local products and services and disseminating them widely to the public
- In addition, plan to open an online store (e-commerce site) to offer attractive products and services from the region
- Also plan to start providing consulting and solutions related to digital marketing and advertising

[Consulting scheme example]



For "Purpose"

Contribute to the future of local communities by providing value that goes beyond existing business areas as a Group-wide effort

▶ Gunma Regional Advanced Solution Partners (GRASP)

Received **over 180 cases** since starting operation in 2021. Worked on initiatives, including large projects with hands-on support, investment in business successor companies leveraging the amendment of the Banking Act, and investment in local revitalization business companies.

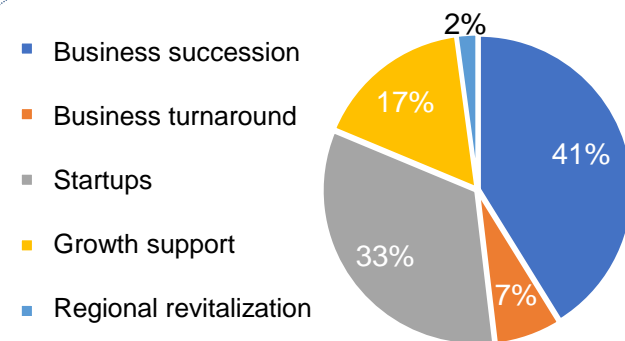
● Funds currently under management

Fund name	Size (Total amount)	Number of investors
Gungin Business Support Fund	0.5 billion yen	6
Gungin Business Support 2nd Fund	0.5 billion yen	3
Gunma Medical and Industrial Collaboration Activation Fund	0.86 billion yen	6
Gunma Regional Advanced Solution Fund	3.0 billion yen	9
Total	4.86 billion yen	24



- Established **the Gunma Regional Advanced Solution 2nd Fund** (May 2023)
⇒ Two years have passed since the establishment of the Gunma Regional Advanced Solution Fund. Investment performance and profitability are favorable.
Established the second fund for further growth by leveraging our accumulated experience.

[Status of funds under management (by investment theme)]



2nd fund size	Investment theme	Unlimited liability partner	Limited liability partner
3.0 billion yen	Business succession, business turnaround, ventures, etc.	GRASP	Gunma Bank

● Initiative with regional power generation company **Kanto YAWARAGI Energy Co., Ltd.**

- ▷ Contracted for electricity sales with the company established by the Gunma Regional Advanced Solution Fund, and installed a solar power generation system on the roof of **the joint branch with Daishi Hokuetsu Bank**.
⇒ Initiative to achieve regional decarbonization
- ▷ This is the first case of an on-site PPA for PV installation by a financial institution in Gunma Prefecture.

Power generation operator (PPA operator)	Start of power supply	Solar panel capacity
Kanto YAWARAGI Energy Co., Ltd.	October 2023 (scheduled)	Generates approx. 40% of the branch's annual electricity consumption.



* Joint branch of our Takasakitamachi Branch and Daishi Hokuetsu Bank's Takasaki Branch

Effects of External Collaboration (Basic Policy 2-5)

For "Purpose"

Enhance our strengths to "connect" by leveraging outside resources



群馬・第四北越 アライアンス

▶ TSUBASA Alliance

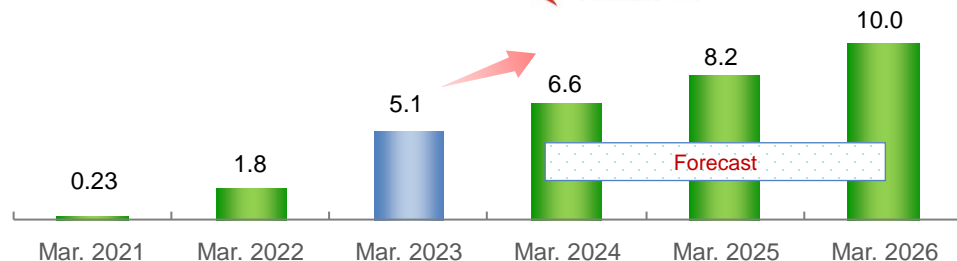


地域とともに
未来へはばたく

TSUBASA
ALLIANCE

(Unit: Billions of yen)

● Revenue effects (Cumulative total)



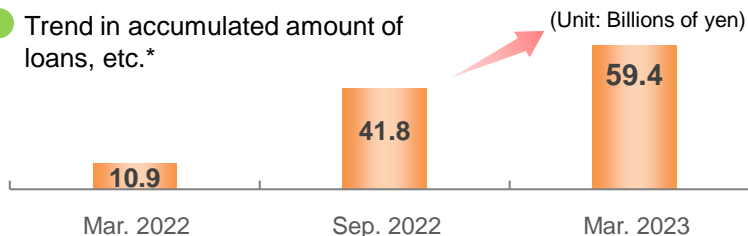
● Status of initiatives

- Initiatives to upgrade the AML framework
⇒ Consideration of joint transaction monitoring and filtering operations using AI scoring functions
- Developed an electronic-exchange-compatible package with the TSUBASA Alliance of 10 regional banks. (Started full-scale operation in November 2022.)
- Scheduled to consolidate bill-issuing operations.

▶ Ryomo Regional Revitalization Partnership

—Collaboration with Ashikaga Bank to revitalize local industry, solve local issues, etc.—

● Trend in accumulated amount of loans, etc.*



りょうもう
地域活性化
partnership

* The total of syndicated loans, coordinated lending, structured finance, and private placement bonds

● Status of initiatives

- Reinforcement of collaboration in supporting automotive-related industries, sharing of knowhow, regional revitalization initiatives
- Initiatives to improve the top line⇒ Smooth syndicated loan origination and mutual introduction of new borrowers

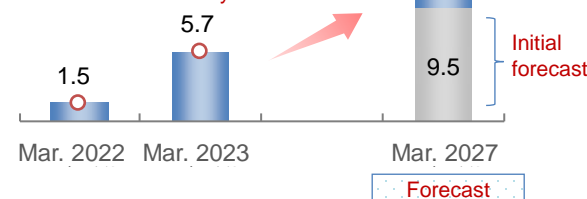
▶ Gunma and Daishi Hokuetsu Alliance

● Revenue effects

(Combined and cumulative total of both banks)

* Included in the synergies with TSUBASA (Unit: Billions of yen) listed on the left

<Estimated five-year cumulative total +10.7 billion yen>



● Status of initiatives

- Joint planning of an endowment-type private placement bond (Green & food support plan)
⇒ Our results: 81 bonds/Issuance amount: 5.5 billion yen
- Opened a Joint Branch consisting of our Takasakimachi Branch and Daishi Hokuetsu Bank's Takasaki Branch
⇒ Bridge Niigata, Ltd. held the Niigata Goods Exhibition at this branch.
- ATM partnerships, personnel exchanges
⇒ No ATM fees on weekdays (during the daytime) between the two banks from January 2023

▶ Fincross partnership (Collaboration among eight regional banks)

● Status of initiatives

- Aim to build a data lake, digital marketing infrastructure, and data analysis infrastructure



Basis of eight banks combined (reference)
• Ordinary deposits: 12.30 million accounts
• Number of loan clients: approx. 0.9 million

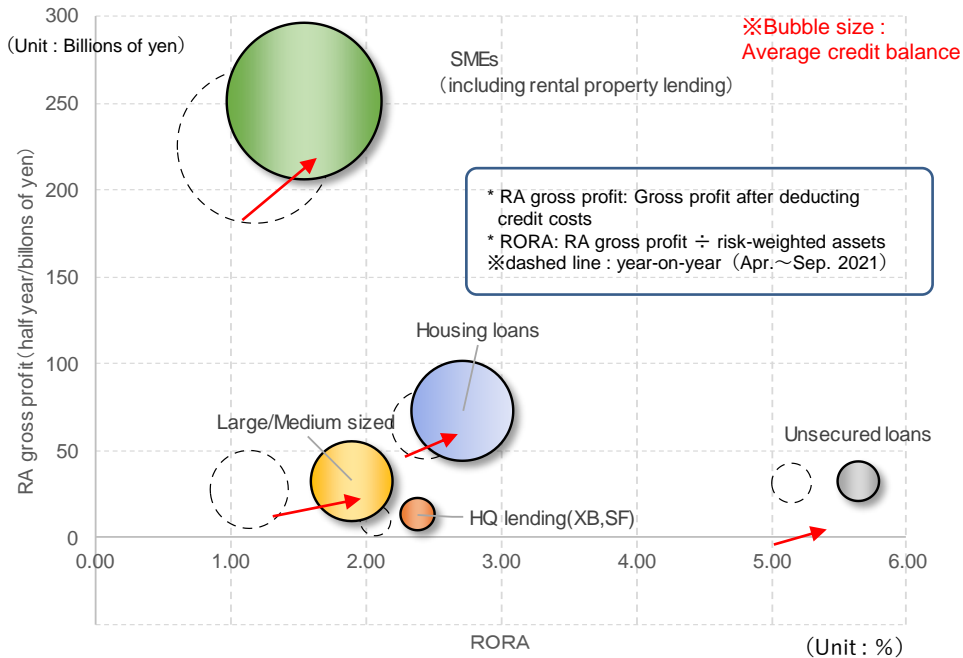


Initiatives to Improve RORA (Basic policy3-5)

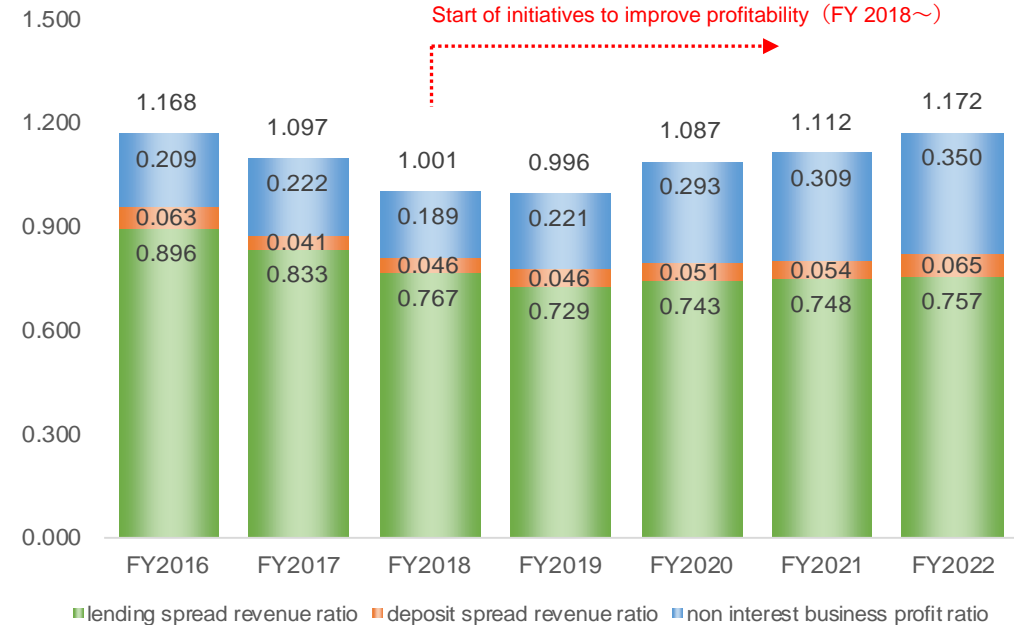
For "Purpose"

Spin the threads of the future for local communities and demonstrate our "strengths in connections" appropriately and consistently by strengthening the Bank's management structure

► RORA by business field (FY2022)



changes in profit ratio business loan recipient (ROA)



● Large/medium-sized businesses, HQ lending (X B · S F)

⇒ Accumulate positively loans with high RORA

● Housing loans & unsecured loans

⇒ Housing loans : boost in promotion within the Gunma Prefecture, expand fee-based products

⇒ Unsecured loans : boost in loan proposals linked to life events

● SMEs lending (including rental property lending)

⇒ the bank will continue its efforts to improve profitability to secure profits that match risks by improving interest rate and expanding comprehensive transactions through consulting.

- Profitability of business loan customers, mainly small- and medium-sized enterprises, has been improving since the start of initiatives to improve profitability.
- Although the impact of non-interest business profit is significant, loan spreads have also stopped falling and are starting to trend upward.

IV. Initiatives for ESG

Personnel strategy (Personnel reforms for exercising creativity)

Linkage to the management strategy

Realization of the Purpose

Priority issues and main measures

Non-financial KPIs

Transition to a job-based personnel system.

- Allocate and compensate "the right personnel in the right positions."
- Provide opportunities for tackling challenges autonomously.
- Proactively recruit mid-career specialist personnel, etc.
- Strengthen talent management.

- Number of job interns
- Mid-career recruitment ratio

Strengthen comprehensive personnel capabilities.

- Foster "career ownership."
- Improve the digital literacy of employees.
- Strengthen reskilling of employees.
- Develop management personnel.

- Investment in skill-up per employee
- Number of employees who have acquired the IT Passport
- Number of employees using the side job scheme

Develop specialist personnel.

- Reinforce initiatives to improve professional skills.
- Develop through external training and secondment.
- Proactively promote becoming specialist personnel.

- Number of advanced employees in Skill Checks
- Number of participants in external training
- Number of appointments of specialist personnel (experts, etc.)

Promote D&I.

- Proactively promote women and mid-career recruits.
- Foster an organizational culture that encourages men's participation in childcare.
- Conduct training and other activities to improve D&I literacy.
- Implement bottom-up initiatives through L-NEXT, etc.

- Percentage of female managers
- Percentage of mid-career recruits promoted to management positions
- Gender wage gap
- Percentage of male employees taking childcare leave
- Duration of childcare leave taken by male employees

Improve well-being.

- Promote comfort and satisfaction in the workplace.
- Improve the effectiveness of 1-on-1 meetings.
- Promote health management.

- Percentage of taken paid leave
- Extent of implementation of Personal Purposes
- Engagement score
- Certified as an Excellent Health and Productivity Management Enterprise

Personnel Development Policy

Internal Environment Improvement Policy

Mid-Term Business Plan 2022
Innovation for "Purpose"

Connection with
Mid-Term
Business Plan

Basic policy for
realizing "Purpose"

Reinforce strengths
in "connections"

(Strategic themes)

"Personnel reforms for
exercising creativity"

(Personnel strategy
on the left)

Through the active participation of human resources who contribute to "digital", "goal-based and needs-based sales activities", and "exploration of new businesses", which are the key points of the medium-term plan, we will achieve both social and economic value and Aiming to realize the "well-being" of officers, employees, it will lead to the improvement of corporate value.

We use our strengths in "Connections" to spin the threads of the future for local communities

Social value
Local communities
Customers

Achieve the "KPIs in Connections."

Financial value
Shareholders & investors

Net income of 30 billion yen
Non-interest business profits of 25 billion yen
OHR of approx. 55%
ROE of over 5%

Realization of well-being

Officers
Employees

Corporate value improvement

Personnel System Reform and Various KPIs (Basic Policy 2-4)

For "Purpose"

Enhance our strengths to "connect" by refining human resources

▶ Transitioning to a job-based personnel system

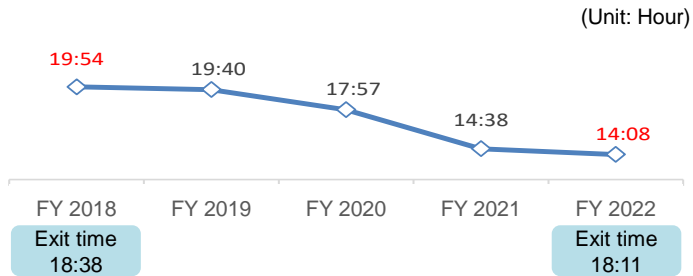
- Develop personnel who have comprehensive and specialized perspectives through a diversified approach.
- Promote placing the right personnel in the right positions based on their capabilities, regardless of their ages.
- Compensate employees appropriately in accordance with their work value (difficulty and depth of assigned work).

▶ Development of Specialist Personnel

- Organize job internships for those who have declared Career Challenge.
- Consider new destinations for external training and recommended qualifications, etc., for the development of specialist personnel.

▶ Strengthening of comprehensive personnel capabilities

- As a result of the **business reform project**, the average monthly overtime hours per employee (excluding managers and supervisors) at sales branches **decreased by 5 hours and 46 minutes** compared to FY2018, the year before the project started.



⇒ The average annual exit time per sales branch was **27 minutes faster** than in FY2018.

- Build a training system for young employees based on the concept of career ownership.
- Implement initiatives to develop next-generation leaders.

● Mid-career recruitment ratio

KPI	FY2021	FY2022	FY2024 Target
Recruitment ratio	5%	4%	15%

● Number of job interns

KPI	FY2021	FY2022	FY2024 Target
No. of job interns	33	49	80

● Number of specialist appointments

KPI	Apr. 2021	Apr. 2022	Apr. 2023	Apr. 2025 Target
No. of appointments	3	8	11	15

<Effective use of free time>

As of May 31
Exceeded 1,073 employees

● Number of holders of the IT Passport

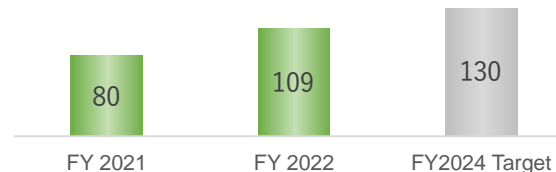
KPI	End of FY2021	End of FY2022	End of FY2024 Target
Number certified	109	785	1,000

*Including highly qualified

<Investment to strengthen comprehensive personnel capabilities>

● Investment in skill-up per employee

(Unit: 1,000 yen)



● Number of advanced employees in Skill Check

KPI	End of FY2021	End of FY2022	End of FY2024 Target
No. of advanced employees	654	767	850

● Number of external training participants

KPI	FY2020	FY2021	FY2022	FY2024 Target
Number of participants	45	64	68	100



● Number of employees using the side job system

KPI	End of FY2022
Number of employees	21

• Investment in skill-up per employee
= Expenses related to training (Note)/Average annual enrollment of operational employees

Note: Includes training center expenses, costs for acquiring qualifications, personnel expenses for employees dispatched for training, etc.

Personnel System Reform and Various KPIs (Basic Policy 2-4)

For "Purpose"

Enhance our strengths to "connect" by refining human resources



Promotion of diversity and inclusion

- Added a male member to **L-NEXT** (Team for Promotion of Ladies' Active Engagement) during the current term. Conducted a survey of all employees on "fulfillment in the workplace."
- Implemented the **Cross Mentoring System**, a joint measure with the TSUBASA Alliance.
- Continue proactive efforts to improve the employment rate of disabled people.
- Reinforce mid-career recruitment by utilizing the scouting function based on each department's needs.

Improvement of well-being

- Exchange information with female bank employees at Daishi Hokuetsu Bank and L-NEXT.
- Proactively engage in **health management** as a local leading company (Excellent Health and Productivity Management Enterprise [White 500]).
- Introduced an **alumni hiring system**. (December 2022)
- Create a virtuous circle through improved engagement.
⇒ Promote workplace development through enhanced 1-on-1 meetings and using Wevox.



Item	Our score	Benchmark(*)	Difference
Human relations	74	73	+ 1
Support	72	71	+ 1
Personal growth	65	65	± 0

(*) Benchmark: Average for companies in the financial industry with 1,001 to 5,000 employees

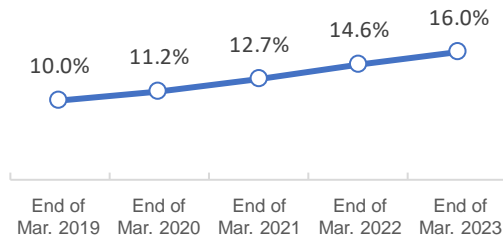
<Implementation status of Personal Purpose>

Plan to measure scores based on responses to questions in the engagement survey about the Personal Purpose



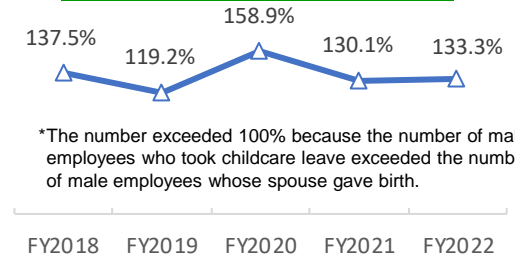
<Percentage of female managers>

Mid-term business plan target: over 18%



<Percentage of male employees taking childcare leave>

Mid-term business plan target: 100% Continued



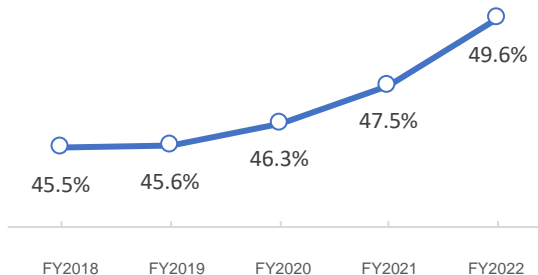
*The number exceeded 100% because the number of male employees who took childcare leave exceeded the number of male employees whose spouse gave birth.

<Duration of childcare leave taken by male employees>

[Target: Over 6.5 days]



<Gender wage gap>



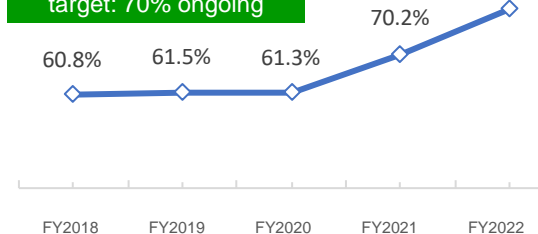
<Percentage of mid-career recruits promoted to management positions>

	FY2019	FY2020	FY2021	FY2022
Mid-career	38.7%	40.2%	36.8%	36.1%
New graduates	38.6%	38.1%	37.8%	38.6%

We promote mid-career employees to managerial positions on par with those who join us as new graduates.

<Percentage of paid leave taken>

Mid-term business plan target: 70% ongoing



Initiatives for Sustainability (Basic Policy 3-1)

For "Purpose"

Contribute to the sustainable development of industry through collaboration with the local communities

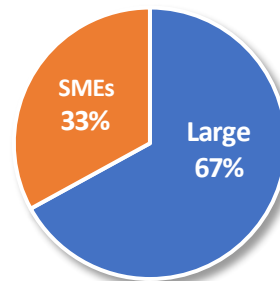
Initiatives for improving sustainability for customers and communities

Progress of sustainable finance

(Unit : Billions of yen)

executed amount	medium-term target	FY 2022 (initial plan)	FY2022 (result)	achieving rate
sustainable finance	500.0	132.8	266.2	200.5%
of which, environmental field	300.0	67.0	116.0	173.1%
of which, social field	200.0	65.8	150.2	228.3%

[loan performance in the environmental field]



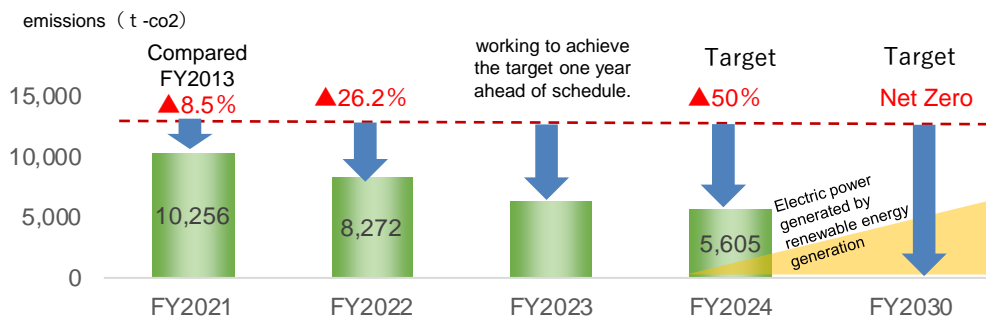
Strengthening efforts for SMEs

⇒ Identifying and responding to SDGs needs by "the Connecting Process"

- Main solution
 - SDGs initiatives support service
 - SDGs private placement bonds, Gungin SLL
 - solar power generation (Kanto YAWARAGI)
 - CO2 emissions visualization service
 - SDGs training (Gungin consulting)
 - Environmental consulting

Initiatives for Greenhouse Gas Emission Reductions

Reduce the Bank's greenhouse gas emissions to **net zero** by FY2030
(50% reduction from the FY2013 level by FY2024 as a mid-term plan target)



Main measures

- Apr. 2022~
 - switched the head office building to renewable electricity.
 - switched the computer center building to renewable electricity.
- Oct. 2023~
 - plan to switch the branches in Hokumo, the computer center to **renewable electricity by Oze Katashina Hydroelectric power plant**
 - Plan to start PPA power supply in Takasaki Tamachi branch.

Utilization of ESG bonds (B3T2 bonds)

The total amount of **CO₂ reduction** by ESG Bonds (No.5~No.7 Bonds) is 60,537 tons-CO₂/year. This is equivalent to the CO₂ emitted by annual electricity consumption of approximately **33,000 households**.

(Calculated based on the Ministry of the Environment's "Summary of Results of the FY2021 Statistical Survey on CO₂ Emissions from the Household Sector (Factual Figures)")

The total amount of CO₂ reduction by Green Project (t-CO₂/year)

Renewable energy generation business			energy efficiency	clean transportation	Total (t-CO ₂ /year)
solar power	hydro power	biomass power			
6,197	21,922	32,193	157	65	60,537

Gungin Oze Katashina Hydroelectric power plant

- Obtained the naming rights for the hydroelectric power plant under construction by Tokyo Electric Generation Co., Ltd. in Katashina Village.
- We will procure electricity derived from this power plant and promote local consumption of the electricity.
- The electricity will be used by nine branches in Hokumo district and the computer center.
- Although it is a small hydroelectric power plant, Approx. 3,700 MWh per year, which is **roughly 20% of our annual electricity consumption**.



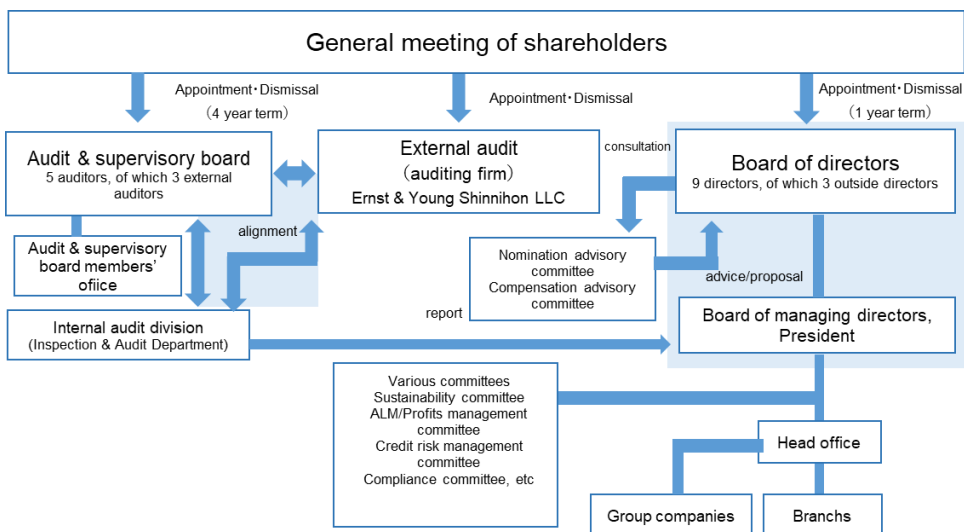
Governance (Basic policy ③-5)

For "Purpose"

Spin the threads of the future for local communities and demonstrate our "strengths in connections" appropriately and consistently by strengthening the Bank's management structure

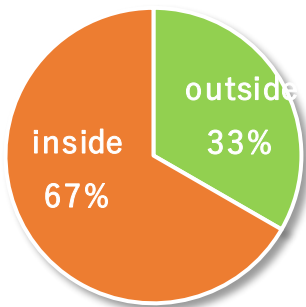
Corporate governance system

The Bank has adopted an auditor system. Audit & supervisory board consists of 5 auditors (Of which, 3 outsiders). The Board of directors consists of 9 directors (Of which, 3 outsiders).

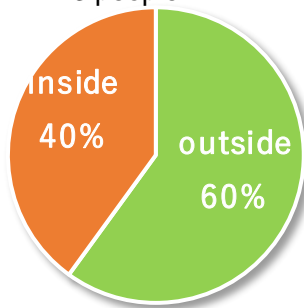


Percentage of outside officers

- Percentage of outside directors ⇒ 3 people (of which, 1 female)



- Percentage of outside audit & supervisory board members ⇒ 3 people



Skill matrix (expertise & experience)

Internal directors / audit & supervisory board members

Name	Job title	Corporate governance/sustainability	Regional economies	Sales	Market management	Management strategy/planning/business development	Human resources	Risk management	IT system
Nobuyuki Horie	Chairman & Director	○	○	○			○	○	
Akihiko Fukai	President & Director	○	○	○	○	○		○	○
Hiroyuki Irisawa	Senior Managing Director	○	○	○	○	○			○
Akihiro Goto	Managing Director	○		○		○	○	○	
Tsutomu Takei	Managing Director	○	○	○			○		
Takeo Uchibori	Managing Director	○		○	○	○			○
Shinya Koitabashi	Audit & Supervisory Board Member			○	○				
Keita Muto	Audit & Supervisory Board Member			○				○	

External directors / audit & supervisory board members

Name	Job title	Corporate management	Finance(theory, regulatory control & compliance)	Corporate finance & accounting (operation & theory)	Corporate legal affairs (operation & theory)	Macroeconomy	Sustainability	IT, digital FinTech	Regional economies & governments
Jun Kondo	Director	○		○					○
Kuniko Nishikawa	Director	○					○	○	
Kazuhiro Osugi	Director		○			○			
Makoto Tanaka	Audit & Supervisory Board Member			○					○
Yasuo Kamiya	Audit & Supervisory Board Member				○				○
Hiroshi Kasahara	Audit & Supervisory Board Member						○		○

※The information above does not necessarily show the entire scope of expertise, experience and knowledge of prospective directors' candidates and auditors.

The Gunma Bank, Ltd.

Financial Results Briefing Session **Data** for the Year Ended March 2023

June 8, 2023

Presenter :Akihiko Fukai, President



Financial Results Briefing Session for the Year Ended March 2023 Data

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First year result of medium-term business plan(from April 2022 to March 2025)

KPIs in Connections	Item	Target	Progress in the FY2022 (single year)		
			First year Result	First year Target	achieving rate
"Connect" lender and borrower	Amount of sustainable finance executed(three-year cumulative total)	500 billion yen	266.2 billion yen	132.8 billion yen	(200.5%)
	Amount of housing loan executed(three-year cumulative total)	400 billion yen	113.5 billion yen	130.0 billion yen	(87.3%)
	Balance of unsecured consumer loan(as of March 31, 2025)	75 billion yen	62.9 billion yen	64.0 billion yen	(98.4%)
"Connect" customers	Number of business matching cases closed(cumulative for three years)	3,000 cases	1,000 cases	900 cases	(111.1%)
"Connect" businesses and individuals	Number of staffing cases closed(cumulative for three years)	200 cases	82 cases	45 cases	(205.0%)
"Connect" customers' asset with their future	Balance of deposit financial assets(consolidated, as of March 31, 2025)	1,250 billion yen	1,059.2 billion yen	1,078.0 billion yen	(98.2%)
	Of which, balance of investment trusts(consolidated, as of March 31, 2025)	400 billion yen	296.1 billion yen	343.0 billion yen	(86.3%)
"Connect" for the next generation	Number of business succession issues resolved(cumulative for three years)	600 cases	330 cases	200 cases	(165.0%)
	Inheritance-related business contracts(cumulative for three years)	1,000 cases	298 cases	270 cases	(110.4%)

(reference) Strategic themes Related figures	Item (Cumulative value until the end of business plan)	Target	Progress in the FY2022 (single year)		
			First year Result	(reference) Medium-term target	achieving rate
Sales	Electronic contract service utilization rate "general loans"	100 %	55.3 %	100 %	(55.3%)
	Electronic contract service utilization rate "housing loans"	100 %	97.5 %	100 %	(97.5%)
Channel	App users (Number of account holders)	0.3 million people	0.156 million people	0.3 million people	(52.0%)
Personnel	Number of IT passport holders	1,000 people	785 people	1,000 people	(78.5%)
Collaboration with external parties	Profitability of TSUBASA Alliance	4.5 billion yen	5.1 billion yen	4.5 billion yen	(113.3%)
	Balance of structured finance	130 billion yen	64.6 billion yen	130 billion yen	(49.6%)
regional	Number of proposals to partners in the comprehensive collaborative agreement	20 cases	22 cases	20 cases	(110.0%)
Individual	Accumulated investment trust contracts per month	2.5 billion yen	1.74 billion yen	2.5 billion yen	(69.6%)
Group's comprehensive capabilities	Number of cashless member stores	16,000 stores	13,406 stores	16,000 stores	(83.7%)
	Transaction volume (billion yen) *single year target	200 billion yen	156.0 billion yen	200 billion yen	(78.0%)

Status of earning assets and funds, sensitivity analysis (Yen)

Floating interest rate of loans is about 70%. The rise in interest rates has a positive impact.

Deposits are mainly individuals "the insured deposit ratio is highly", and highly sticky.

【Loans】

- **Floating interest rate*** of loans(5.7 trillion yen) is 67%
If the lending rate rise by 10bps, impact on loan interest will be about **+3.8 billion yen / year**. *including fixed rate(~1y)

- Fixed rate loans by maturity remaining

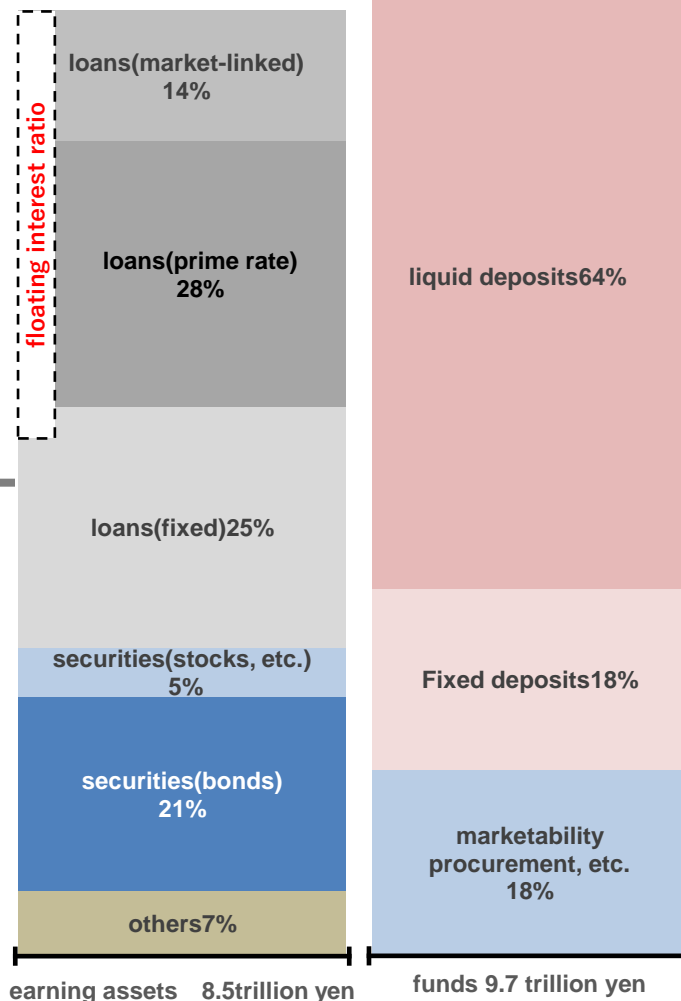
by maturity remaining	~1y	1y~3y	3y~5y	5y~
ratio	13%	26%	29%	32%
balance (billion yen)	285.6	561.0	634.6	680.9

【Securities】

- Of securities held, **2%** for assets with foreign exchange currency risk. *only some of investment trusts
- Sensitivity analysis "impact to profit/ loss from valuation"
profit / loss from valuation -6.6billion yen(FY2022)

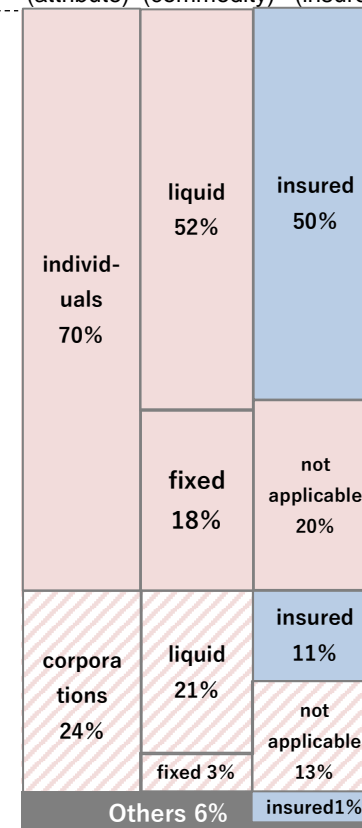
Estimated value for a 10 basis points rise in parallel in interest rates → **-10.8 billion yen**
Estimated value if the stock price falls by → **-24.5 billion yen**

(end of Mar. 2023)



【Deposits】

domestic deposit(7.9 trillion yen) composition
(attribute) (commodity) (insured)



the total ratio of insured deposits is about 62%

deposit balance per account about 2.1 million

※interest -free due from banks not included

Status of earning assets and funds, Sensitivity analysis (Foreign currency)

The bank sold all euro-denominated bonds. Also the bank replaced U.S. dollar-denominated bonds. As a result, Yields are improving.
In market procure, the bank began funding at fixed interest rates to prepare for the risk of rising interest rates.

【Loans】

- Loans are floating rate loans only.

【Securities】

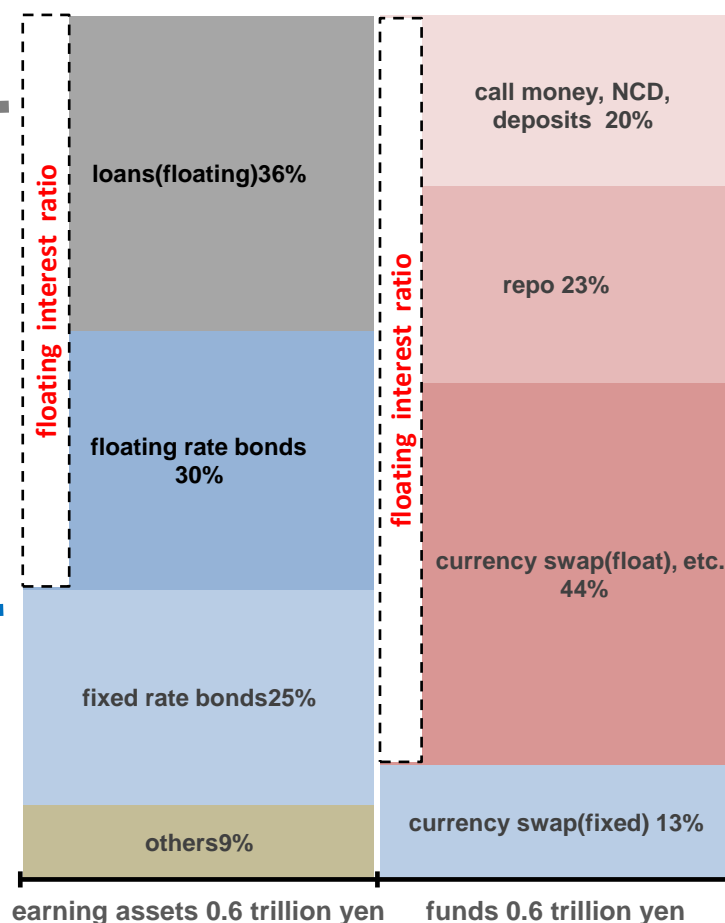
- Sensitivity analysis "impact to profit/ loss from valuation"
profit / loss from valuation -6.6 billion yen (FY2022)

Estimated value for a 10 basis points rise in parallel in interest rates
→ **-1.6 billion yen**
Estimated value if the stock price falls by → **-3.7 billion yen**
Estimated value when exchange rate rises by 10% → **-2.7 billion yen**

(reference)

- Euro-denominated bonds
The bank sold all of its euro-denominated bonds for the FY2022.
- Dollar-denominated fixed bonds
The bank replaced mainly GNMA bonds with lower interest rates.
yield on dollar-denominated fixed bonds improved to 4.5% (YoY+2.4%)

(end of Mar. 2023)



【Market procure】

- The bank have introduced fixed-rate currency swap funding to prepare for the risk of rising interest rates.

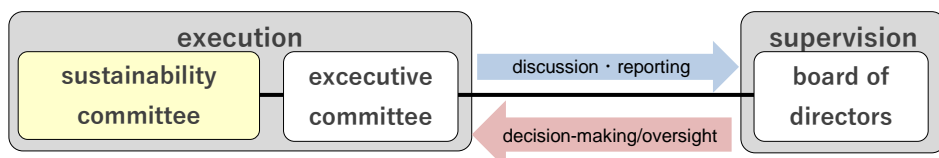
※short term funding with a maturity of one year or less are classified under "call money, NCD, deposits".

Efforts to address climate change 1

Governance

Sustainability committee

- In April 2022, we established the Sustainability Committee. Its goal is to reinforce the Bank's sustainability initiatives, develop management strategies from a mid- to long-term perspective, and enhance the effectiveness of measures.
- The Sustainability Committee chaired by the President will hold four meetings per year, in principle. The main matters it will discuss and consider include the formulation of policies related to sustainability initiatives and reports on the progress of the plan.

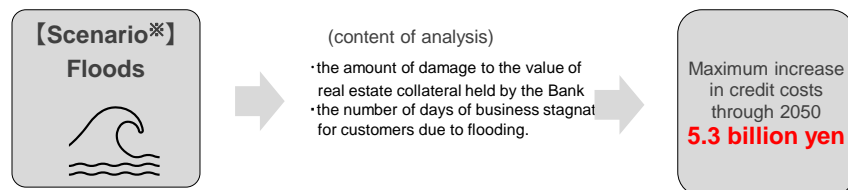


※The matters discussed and considered at each sustainability committee meeting are submitted for discussion at or reported to the executive committee. The committee will make four reports to the board of directors per year. The committee submits important sustainability-related matters for discussion by the board of directors, which in turn makes decisions on these matters.

Strategies

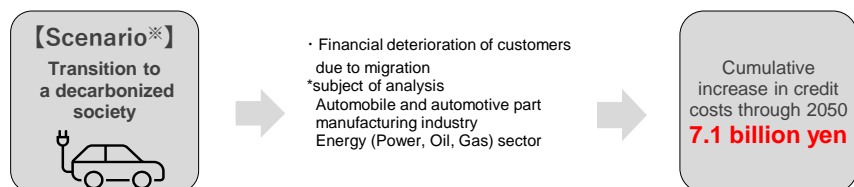
Scenario analysis

Physical risk



※Scenario IPCC/RCP8.5 "4°C scenario"

Migration risk



※Scenario IEA/NZE2050(1.5°C scenario)、IPCC/RCP2.6(2°C scenario)

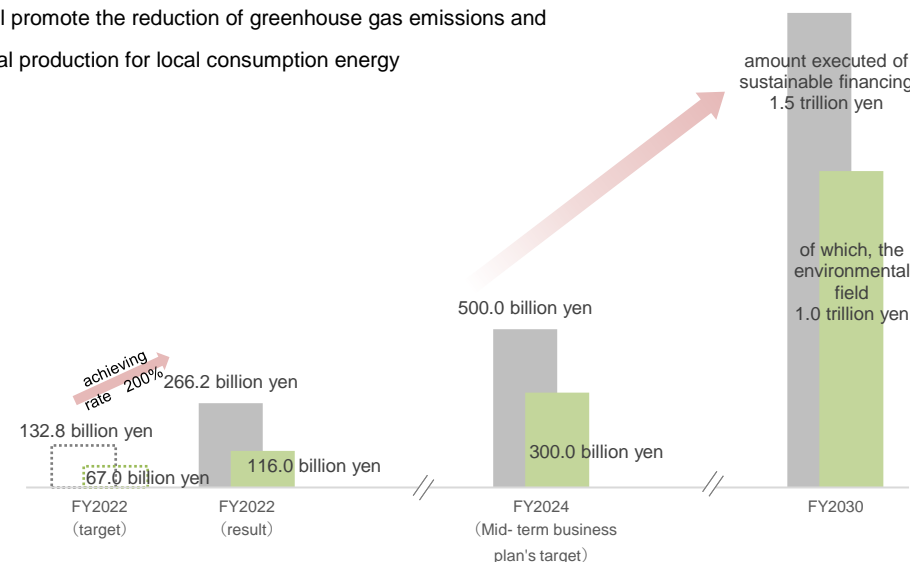
Risk management

- The Bank recognizes that the physical and migration risks arising from climate change as a significant risks that could significantly impact the Bank's business operations and strategic and financial plans.
- The impact of the various risks identified through scenario analysis, etc. will be assessed for different categories, such as "credit risks" and "operational risks". The bank will adopt a posture that allows it to manage them within the existing framework.

Indicators and targets

Sustainable financing

- The bank group has also set mid-to long-term finance targets to achieve sustainability in the region.
"target cumulative amount for the period through FY2030 1.5 trillion yen"
- The amount executed for the FY 2022 was 200% of target for the FY2022.
- In sustainable financing, we are promoting "the Green Fund", an investment and loan fund totaling 50 billion yen to support the development of renewable energy. (The amount executed for the FY2022 is 27.8 billion yen)
We will promote the reduction of greenhouse gas emissions and the local production for local consumption energy

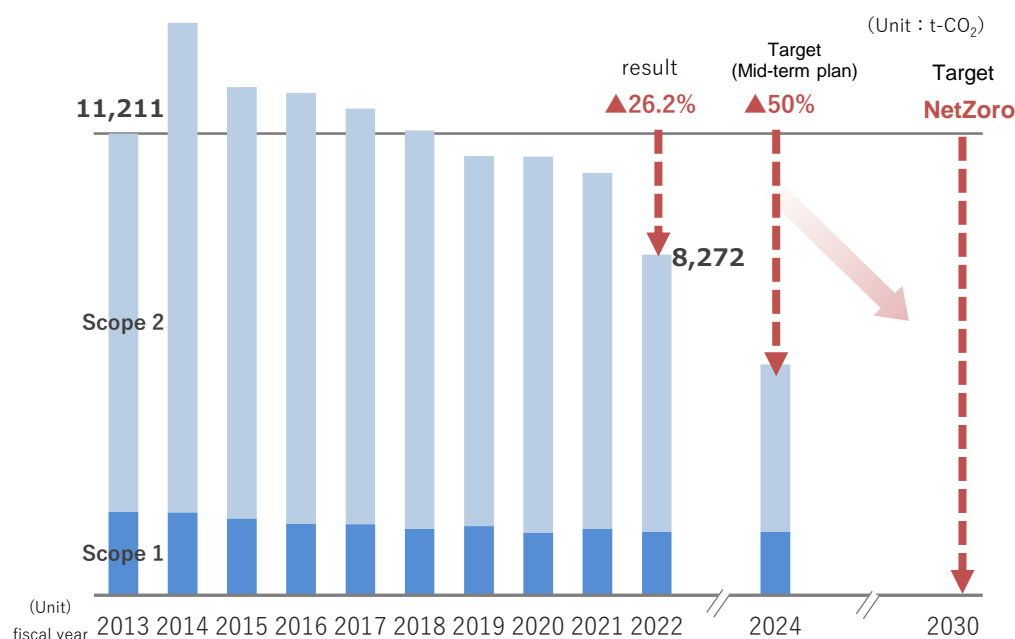


Efforts to address climate change 2

Indicators and targets

Greenhouse gas emissions

- In order to contribute to the realization of a decarbonized society and the sustainable development of society, the bank set its greenhouse gas emission reduction targets, as follows.
Target : <FY2024 reduction of at least 50% compared to FY2013> <FY2030 Net Zero>
- By switching all the head office and computer center to electricity derived from renewable energy, emissions in FY2022 was 8,272 t-CO₂ (26.2% reduction compared to FY 2013).



SCOPE 3 (Category15)

- In accordance with PCAF standards, the bank estimated for domestic corporate financing clients (end of FY 2022).
- The bank recognize that measuring the greenhouse gas emissions of investments and loans is important for financial institutions to grasp the risks and opportunities of climate change. The bank will continue to study the sophistication of measurement in the future.

Industry	Carbon intensity (t-CO ₂ / mn yen)	Emissions (t-CO ₂)
Agriculture	5.37	36,269
Paper and forest products	3.52	139,840
Beverages, packaged foods and meats	3.64	586,674
Metals and mining	4.52	695,871
Chemicals	4.75	231,483
Oil and gas	3.21	323,833
Construction materials, capital goods	4.85	1,560,283
Automobiles and components	3.09	420,622
Electric utilities	24.51	461,867
Real estate management and development	0.87	155,956
Rail transportation, trucking services	2.9	484,818
Maritime transportation	9.39	24,583
Air freight, passenger air transportation	12.38	480
Other	1.64	3,674,053
Total	—	8,796,632

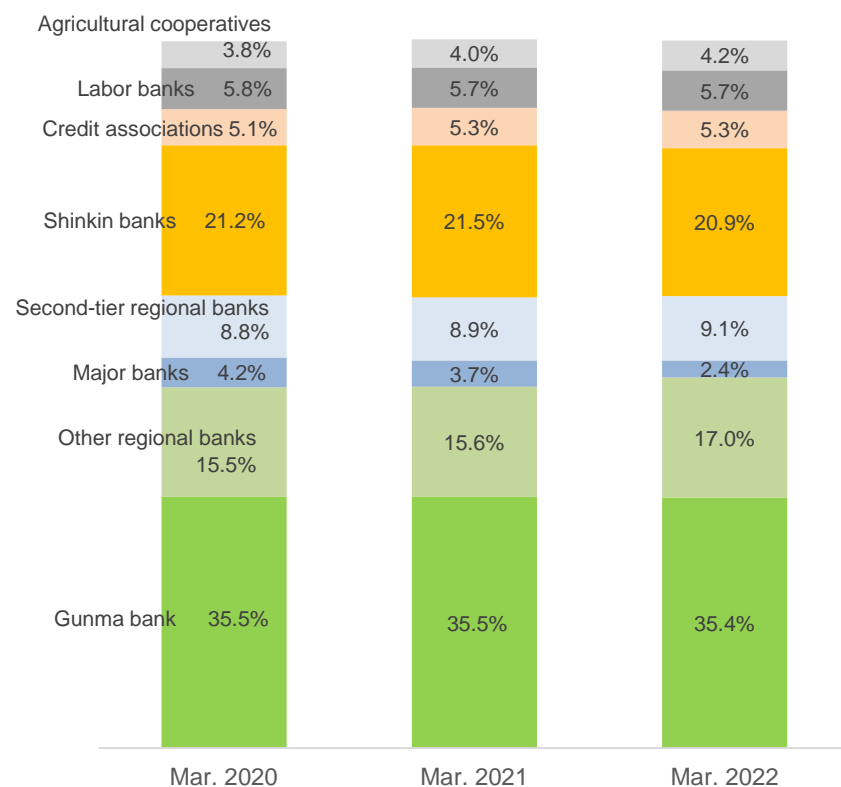
Expanded measurement range

< Trial calculation for the FY 2022 >

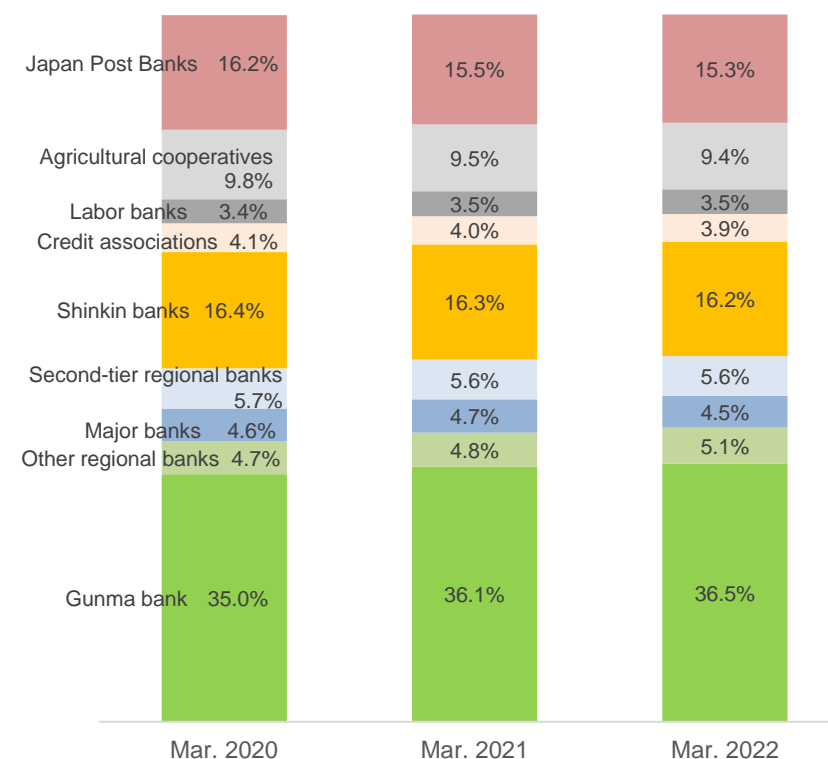
	Emission(t-CO ₂)
Scope 3 : some of category1 (copy paper purchasing)	249
// : category6 (business trip)	58
// : category7 (go to work)	1,013

Shares in loans and deposits in Gunma Prefecture

Shares in loans



Shares in deposits



Source: "Financial Map" from an extra number of the "Financial Journal" 2023 edition

Profit and Loss conditions (consolidated)

(Unit : Billions of yen)

	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Core gross business profits	50.5	95.0	48.6	91.0	44.5	84.7	43.3	86.4	48.3	92.5	48.3	92.4
Net interest income	41.3	77.2	39.4	74.3	35.8	67.5	34.2	67.2	37.4	72.0	36.6	71.4
Non-interest business profit	9.1	17.8	9.1	16.7	8.7	17.1	9.0	19.1	10.8	20.5	11.7	21.0
Net fees and commissions income	7.3	13.7	7.4	13.1	6.6	12.4	6.7	13.2	7.4	13.3	7.6	14.4
Profit from other business transactions (excluding gains (losses) on bonds)	1.8	4.0	1.7	3.5	2.1	4.7	2.3	5.9	3.4	7.1	4.0	6.5
Expenses (-) (excluding non-recurrent expenses)	29.4	57.5	29.3	57.5	28.8	56.1	28.1	55.4	27.7	55.2	26.6	52.2
Core net business profit	21.0	37.5	19.3	33.4	15.7	28.5	15.2	30.9	20.6	37.3	21.7	40.2
*excluding gains/losses on cancellation of investment trusts	17.1	33.8	15.8	29.8	15.2	30.0	13.9	30.6	18.9	36.8	21.2	39.9
Gains or losses on investment securities	10.1	10.8	8.2	11.8	5.7	7.4	8.6	12.6	5.5	9.6	-1.7	-1.7
Gains (losses) on bonds	0.1	-4.2	-2.3	-2.7	1.2	0.5	2.8	3.1	0.7	-1.2	-18.1	-28.7
Gains (losses) on stocks and other securities	10.0	15.0	10.6	14.5	4.4	6.9	5.8	9.4	4.7	10.8	16.3	27.0
Net credit costs (-)	0.4	2.8	1.6	8.7	2.6	4.8	6.5	22.4	2.9	8.3	2.3	1.2
Others	-1.5	-3.1	-0.5	-0.8	0.0	0.4	-0.9	-1.0	0.4	0.4	0.6	1.0
Ordinary profit	29.2	42.4	25.3	35.7	18.8	31.5	16.4	20.0	23.6	39.1	18.2	38.3
Extraordinary income (losses)	-0.3	-1.0	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.5
Total income taxes (-)	8.5	12.6	7.5	11.7	5.2	8.4	4.2	6.3	7.0	13.3	5.6	10.9
Profit	20.3	28.7	17.5	23.6	13.4	22.3	12.3	13.5	15.3	26.4	13.7	27.9
Profit attributable to non-controlling interests (-)	0.2	0.3	0.1	0.2	0.0	0.0	-	-	-	-	-	-
Profit attributable to owners of parent	20.1	28.3	17.4	23.3	13.4	22.2	12.3	13.5	15.3	26.4	13.7	27.9
<Various ratio>												
OHR(%)	58.2	60.5	60.3	63.2	64.7	66.3	64.8	64.1	57.4	59.6	55.0	56.4
ROE(%)	7.6	5.4	6.4	4.4	5.0	4.4	4.8	2.6	5.5	4.9	5.4	5.3

Profit and Loss conditions (non-consolidated)

(Unit : Billions of yen)

	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Core gross business profits	47.8	89.5	45.9	85.6	41.6	78.4	40.1	80.2	44.7	85.2	44.7	85.9
Net interest income	41.4	77.3	39.5	74.4	35.8	67.6	34.4	68.5	37.7	72.3	36.7	71.7
Of which, Interest on loans and discounts	28.0	56.2	28.7	57.6	28.8	57.0	27.1	54.2	26.7	53.5	28.1	58.7
Of which, Interest and dividends on securities	16.5	27.6	14.0	22.7	9.8	15.9	8.2	15.6	10.9	18.8	12.3	26.3
Of which, Gain (loss) on cancellation of investment trusts	3.9	3.6	3.4	3.6	0.4	-1.4	1.3	0.3	1.6	0.5	0.4	0.3
Net fees and commissions	5.9	11.0	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8
Others (excluding gain (loss) on bonds)	0.4	1.1	0.3	0.7	0.4	0.9	0.2	0.7	0.7	1.9	1.4	2.4
Expenses (-) (excluding non-recurrent expenses)	28.8	56.2	28.6	56.1	28.0	54.4	27.2	53.6	26.8	53.3	25.6	50.2
Personnel expenses	15.5	30.7	15.3	30.2	14.9	29.5	15.0	29.4	14.2	28.3	14.2	27.9
Non-Personnel expenses	11.3	22.4	11.3	22.7	11.1	22.0	10.4	21.1	10.9	22.1	9.9	19.5
Taxes	1.9	3.0	1.9	3.1	1.8	2.8	1.7	2.9	1.5	2.8	1.4	2.7
Core net business profit	19.0	33.2	17.3	29.5	13.6	24.0	12.9	26.6	17.9	31.9	19.0	35.6
Gains or losses on investment securities	10.1	10.8	8.2	11.7	5.7	5.4	8.6	12.5	5.5	9.6	-1.7	-1.7
Gains (losses) on bonds	0.1	-4.2	-2.3	-2.7	1.2	0.4	2.8	3.1	0.7	-1.2	-18.1	-28.7
Gains (losses) on stocks and other securities	10.0	15.0	10.6	14.4	4.4	5.0	5.8	9.3	4.8	10.8	16.3	27.0
Net credit costs (-)	0.3	2.3	1.2	7.9	2.3	4.3	5.9	21.0	2.5	7.3	2.3	1.0
Other non-recurrent gains (losses)	-1.5	-3.2	-0.6	-1.3	-0.0	0.2	-1.0	-1.2	0.3	0.2	0.4	0.7
Ordinary profit	27.2	38.5	23.7	31.9	17.0	25.3	14.6	16.8	21.2	34.4	15.4	33.5
Extraordinary gains (losses)	-0.3	-1.0	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.6
Total income taxes (-)	7.9	11.4	6.9	10.5	4.6	6.7	3.8	4.9	6.1	11.7	4.8	9.5
Profit	18.9	26.0	16.4	20.9	12.2	17.9	10.9	11.6	13.8	23.3	11.8	24.6
Net credit costs	0.3	2.3	1.2	7.9	2.3	4.3	5.9	21.0	2.5	7.3	2.3	1.0
Net transfer to general allowance for loan losses	-1.0	-1.0	-1.2	0.3	-0.6	-1.1	4.3	14.5	0.1	-1.5	0.0	-1.8
Disposal of non-performing loans	1.4	3.4	2.5	7.6	3.0	5.4	1.6	6.4	2.4	8.9	2.3	2.9
Of which, Net transfer to specific allowance for loan losses	1.2	2.9	2.3	7.1	2.3	4.4	1.4	5.9	2.2	8.1	2.1	2.6
Of which, Losses on sales of loans	0.0	0.1	0.0	0.1	0.4	0.7	0.0	0.1	0.0	0.5	0.0	0.0
Recoveries of written off claims (-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Changes in Customer Service Business Profits

	(Unit : Billions of yen)											
	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Customer service business profit ratio (①÷②) ※	0.08%	0.09%	0.13%	0.14%	0.16%	0.16%	0.11%	0.12%	0.15%	0.13%	0.22%	0.25%
①Customer service business profit (i + ii - iii)	2.7	6.2	4.6	9.2	5.4	11.1	4.2	9.2	5.9	10.6	8.8	19.8
Loan income (i) (See reference below)	27.3	54.8	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6
Net fees and commissions income (ii)	5.9	11.0	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8
General and administrative expenses (-) (iii)	30.5	59.6	29.4	57.6	28.1	54.6	28.2	55.6	26.9	53.6	25.3	49.6
②Average deposit balance	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8	7,906.1	7,891.4

* Each interim period is annualized(365days ÷ 183days).

<Reference>

Loan income (③×④) ※	27.3	54.8	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6
③Deposit and loan direct profit margin (iv - v)	1.029%	1.029%	1.019%	1.027%	1.023%	1.014%	0.955%	0.948%	0.932%	0.935%	0.955%	0.988%
Average yield on loans and bills discounted(iv)	1.057%	1.054%	1.045%	1.050%	1.044%	1.033%	0.962%	0.954%	0.936%	0.939%	0.967%	1.007%
Average yield on deposit (v)	0.028%	0.025%	0.026%	0.023%	0.021%	0.019%	0.007%	0.006%	0.004%	0.004%	0.012%	0.019%
④Average loan balance	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0	5,799.6	5,835.5

* Each interim period is annualized(365days ÷ 183days).

Changes in Average of Earning Assets and Funds Balance

(Unit : Billions of yen)

Average of earning assets balance [All branches]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Earning assets in total	7,280.8	7,264.3	7,208.1	7,198.5	7,284.8	7,320.9	7,597.6	7,791.9	8,969.0	9,058.7	8,842.2	8,683.9
Loans	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0	5,799.6	5,835.5
Of which, Large enterprises	643.6	640.2	653.4	657.1	648.9	652.8	681.6	675.4	695.6	696.8	763.3	789.5
Of which, Second-tier enterprises	113.7	112.8	116.5	116.8	104.4	99.9	97.8	96.2	92.5	90.2	83.6	81.6
Of which, SMEs	2,098.3	2,134.0	2,218.6	2,246.4	2,300.3	2,315.6	2,405.8	2,429.4	2,423.6	2,420.6	2,419.4	2,427.0
Of which, Individuals	2,172.3	2,197.2	2,260.3	2,273.9	2,302.6	2,304.6	2,306.8	2,307.7	2,317.1	2,321.8	2,339.3	2,347.4
Of which, Public loans	214.1	200.1	169.8	142.1	99.5	96.3	90.6	125.8	110.2	107.4	122.7	122.7
Securities	1,851.5	1,791.4	1,572.4	1,555.4	1,640.7	1,660.2	1,783.5	1,955.8	2,330.6	2,387.6	2,418.7	2,448.2
Others	136.6	140.0	161.9	151.7	134.5	137.5	179.3	147.0	943.5	970.9	623.8	400.1

* Average balances totaled from all domestic branches are shown as breakdowns. Loans to regional public corporations and the Ministry of Finance (MOF) are included in public loans.

(Unit : Billions of yen)

Average of funds balance [All branches]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Funds in total	7,422.2	7,412.8	7,391.8	7,409.4	7,626.0	7,668.0	8,216.3	8,827.0	10,403.7	10,514.0	10,099.2	9,884.2
Deposits	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8	7,906.1	7,891.4
Of which, Individuals	4,743.8	4,779.3	4,865.7	4,885.8	4,958.3	4,995.9	5,179.3	5,249.5	5,419.8	5,456.6	5,553.3	5,572.0
Of which, Corporations	1,421.4	1,427.3	1,465.4	1,465.3	1,519.2	1,534.4	1,704.2	1,761.9	1,903.1	1,895.9	1,925.6	1,918.5
Liquid deposits	4,264.5	4,303.5	4,483.1	4,502.0	4,667.2	4,725.5	5,186.3	5,324.6	5,709.5	5,757.9	6,009.0	6,017.4
Fixed deposits	2,161.5	2,144.6	2,124.4	2,108.9	2,068.7	2,054.5	1,983.1	1,985.3	1,968.2	1,958.8	1,897.1	1,874.0
Call money	48.8	45.3	19.7	26.1	17.8	16.0	16.5	134.9	373.3	359.5	210.6	167.2
Borrowings	320.6	321.5	339.9	356.7	425.2	430.2	584.5	789.8	1,391.1	1,425.6	1,136.5	992.3
Others	626.8	597.6	424.7	415.5	447.0	441.7	445.7	592.2	961.3	1,011.9	845.7	833.1

* Average balances totaled from all domestic branches are shown as breakdowns.

Changes in the Rates of Yield and Profit Margins of Interest Rates

(Unit : %)

[All branches]		Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Average yield on interest earning assets	(i)	1.23	1.16	1.19	1.13	1.07	1.01	0.94	0.91	0.85	0.81	0.92	1.00
Of which, Average yield on loans and bills discounted	(ii)	1.05	1.05	1.04	1.05	1.04	1.03	0.96	0.95	0.93	0.93	0.96	1.00
Of which, Average yield on securities		1.78	1.54	1.78	1.46	1.19	0.96	0.91	0.80	0.93	0.78	1.01	1.07
Funding yield	(iii)	0.10	0.10	0.10	0.09	0.08	0.08	0.03	0.02	0.01	0.01	0.08	0.15
Of which, Average yield on deposits and negotiable certificates of deposit	(iv)	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.00	0.00	0.00	0.02	0.03
Overall direct profit margin	(i)-(iii)	1.13	1.06	1.09	1.04	0.99	0.93	0.91	0.89	0.84	0.80	0.84	0.85
Deposit and loan direct profit margin	(ii)-(iv)	1.02	1.02	1.01	1.02	1.01	1.00	0.95	0.95	0.93	0.93	0.94	0.97
Ratio of expenses		0.85	0.83	0.82	0.81	0.79	0.76	0.72	0.70	0.67	0.67	0.62	0.61
Average interest rate spread		0.36	0.30	0.32	0.28	0.25	0.22	0.25	0.28	0.32	0.29	0.33	0.34

* Profit margins are calculated on the table.

(Unit : %)

[Domestic transactions]		Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Average yield on interest earning assets	(i)	1.13	1.06	1.08	1.02	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80
Of which, Average yield on loans and bills discounted	(ii)	1.03	1.02	0.99	0.98	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91
Of which, Average yield on securities		1.66	1.34	1.61	1.29	1.08	0.83	0.85	0.65	0.87	0.68	0.74	0.66
Funding yield	(iii)	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Of which, Average yield on deposits and negotiable certificates of deposit	(iv)	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overall direct profit margin	(i)-(iii)	1.12	1.05	1.07	1.01	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80
Deposit and loan direct profit margin	(ii)-(iv)	1.02	1.01	0.98	0.98	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91
Ratio of expenses		0.83	0.81	0.81	0.79	0.77	0.75	0.71	0.68	0.65	0.65	0.60	0.60
Average interest rate spread		0.32	0.27	0.30	0.26	0.23	0.20	0.23	0.25	0.30	0.27	0.28	0.29

* Profit margins are calculated on the table.

Changes in Loans and Deposits (by Region)

(Unit : Billions of yen)

[Loans (ending balance)]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Total (domestic branches)	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8	5,786.8	5,974.0
Gunma	2,302.1	2,339.1	2,347.7	2,356.8	2,356.7	2,372.1	2,429.2	2,439.6	2,436.7	2,431.2	2,421.7	2,441.2
Saitama	1,069.2	1,101.2	1,119.2	1,139.4	1,134.6	1,133.1	1,136.7	1,132.5	1,115.3	1,101.7	1,093.3	1,098.5
Tochigi	484.1	495.0	506.6	514.2	510.3	509.4	513.1	509.5	504.0	505.9	501.6	505.5
Tokyo,Kanagawa, and Osaka	1,236.8	1,270.9	1,305.7	1,299.8	1,301.5	1,320.9	1,362.9	1,404.5	1,404.3	1,508.7	1,527.4	1,646.5
Head Office, etc.	298.9	262.9	212.3	202.3	205.9	212.3	208.1	209.0	211.2	210.0	242.6	282.2

[Deposits (ending balance)]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Total (domestic branches)	6,431.3	6,652.7	6,642.7	6,797.7	6,785.1	7,030.7	7,355.8	7,734.7	7,693.8	7,943.1	7,859.3	8,025.5
Gunma	5,209.0	5,407.9	5,375.0	5,537.7	5,500.7	5,752.1	5,988.2	6,317.1	6,255.7	6,505.8	6,412.9	6,591.2
Saitama	639.2	646.6	655.6	654.5	654.2	662.4	708.4	731.2	733.1	739.6	743.2	740.3
Tochigi	360.4	362.3	365.3	364.9	364.1	369.8	391.4	400.0	405.6	400.1	406.6	397.7
Tokyo,Kanagawa, and Osaka	192.5	202.7	224.6	217.6	237.1	215.2	216.5	227.6	235.8	247.1	245.7	248.7
Head Office, etc.	29.9	33.2	22.0	22.8	28.9	30.9	51.1	58.6	63.4	50.4	50.6	47.4

Changes in Loans (by Type and by Size)

	(Unit : Billions of yen)											
	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Loans	5,442.1	5,518.6	5,549.5	5,565.4	5,557.3	5,602.3	5,702.3	5,749.6	5,733.9	5,818.1	5,861.1	6,049.7
Domestic branches	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8	5,786.8	5,974.0
Corporations	2,852.5	2,927.3	2,976.7	2,991.5	2,986.3	3,022.3	3,139.6	3,169.4	3,117.5	3,188.3	3,175.9	3,306.0
Large enterprises	567.4	564.9	579.5	554.2	558.0	566.8	579.8	591.5	610.8	676.4	691.8	781.1
Second-tier enterprises	113.4	112.1	119.6	110.8	93.6	95.0	95.1	90.8	89.7	81.0	77.4	76.1
SMEs	2,171.7	2,250.2	2,277.5	2,326.4	2,334.6	2,360.4	2,464.6	2,487.0	2,416.9	2,430.8	2,406.6	2,448.6
Of which, Excluding strategic branch offices	2,020.8	2,099.9	2,140.5	2,195.1	2,215.5	2,235.8	2,330.6	2,340.7	2,314.8	2,313.2	2,287.7	2,315.5
Public entities	106.0	102.2	102.4	97.8	94.7	87.6	86.3	92.4	110.8	116.7	112.2	110.2
Regional public corporations	1.9	2.7	1.8	2.5	1.7	2.4	1.8	2.3	2.0	2.3	1.6	3.1
Municipal authorities	104.1	99.5	100.5	95.3	93.0	85.1	84.5	90.0	108.8	114.4	110.6	107.1
Central government	136.7	89.4	22.6	—	—	—	—	—	—	—	—	—
Individuals	2,207.1	2,254.5	2,281.8	2,305.6	2,309.5	2,314.7	2,307.5	2,316.6	2,324.7	2,337.0	2,351.0	2,373.7
Housing-related loans	2,134.7	2,180.9	2,207.3	2,230.2	2,228.3	2,233.3	2,229.1	2,237.3	2,246.2	2,257.0	2,269.8	2,288.5
Housing loans	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4	1,314.9	1,328.7	1,341.2	1,355.4	1,367.4	1,381.6
Apartment loans	568.4	593.4	613.3	631.6	641.7	651.4	649.7	649.8	649.4	650.0	653.6	660.1
Others	258.8	272.5	277.6	281.5	272.8	269.4	264.4	258.7	255.5	251.5	248.7	246.7
Unsecured consumer loans	46.6	48.8	50.0	51.5	53.2	54.6	53.7	54.7	55.4	57.3	58.7	62.9
Other loans to individuals	25.6	24.6	24.5	23.9	27.9	26.7	24.6	24.4	23.0	22.5	22.4	22.2
Cross-border loans, etc.	88.8	95.8	107.9	117.6	118.5	123.3	116.6	116.7	118.5	115.7	147.7	183.9
Overseas branch	50.7	49.2	57.9	52.7	48.0	54.2	52.1	54.2	62.1	60.2	74.2	75.6

* Cross-border loans, etc. includes structured finance.

Chagens in Loans to SMEs (by Industry)

(Unit : Billions of yen)

	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Manufacturing	438.2	442.1	444.5	453.2	457.9	463.2	480.8	482.1	475.6	472.8	475.1	480.6
Gunma	267.8	267.1	265.1	268.3	276.4	279.1	296.3	300.3	297.1	298.0	300.1	301.4
Saitama	85.2	88.0	90.4	93.8	92.2	93.6	92.0	91.3	88.9	85.0	83.8	84.3
Tochigi	58.7	59.7	61.3	62.6	61.3	62.8	63.6	62.1	61.4	62.1	63.3	66.0
Tokyo and Kanagawa	21.2	21.9	22.5	22.8	22.3	21.8	23.0	22.6	22.6	22.4	22.1	22.3
Others	5.1	5.2	5.2	5.6	5.6	5.6	5.7	5.7	5.4	5.0	5.6	6.5
Construction	156.9	161.9	159.9	168.0	159.9	165.0	176.2	188.6	183.1	185.5	181.1	187.8
Gunma	97.5	99.5	95.7	101.9	97.8	102.8	109.2	118.0	112.2	114.5	108.9	115.0
Saitama	27.9	30.1	30.1	30.9	27.5	28.5	29.8	30.5	30.6	30.7	30.6	30.6
Tochigi	16.4	16.8	17.8	18.5	17.6	17.4	19.8	21.9	21.8	21.6	21.7	22.2
Tokyo and Kanagawa	13.5	13.8	14.9	15.2	15.3	14.1	15.1	15.2	15.8	15.9	17.4	17.5
Others	1.4	1.4	1.4	1.5	1.7	2.0	2.2	2.7	2.4	2.6	2.4	2.3
Wholesaling and retailing	306.6	311.0	323.7	324.2	336.4	332.1	350.6	352.7	352.2	355.3	352.9	358.6
Gunma	164.8	165.8	173.2	168.3	180.2	177.1	186.5	189.7	191.4	193.9	196.9	197.0
Saitama	69.1	70.7	72.6	74.5	76.5	76.5	83.0	83.5	80.3	78.4	74.9	79.0
Tochigi	32.0	33.2	35.4	36.0	35.8	35.7	37.7	38.1	38.8	40.5	40.3	41.6
Tokyo and Kanagawa	36.0	36.7	38.2	41.2	39.7	38.3	39.2	37.6	38.0	38.7	37.2	37.7
Others	4.4	4.4	4.3	4.2	4.2	4.3	3.9	3.7	3.6	3.5	3.3	3.1
Real estate	403.6	438.5	456.6	469.5	465.0	464.8	452.8	448.7	438.3	441.9	450.3	459.8
Gunma	111.7	117.5	120.4	124.3	123.5	126.9	126.0	128.3	127.1	128.6	127.8	131.3
Saitama	138.5	145.9	151.1	155.6	155.6	155.4	151.3	148.4	139.4	139.0	139.9	140.2
Tochigi	50.3	52.3	52.4	53.9	52.9	51.1	49.7	48.0	47.0	48.1	48.1	48.8
Tokyo and Kanagawa	100.1	119.7	129.2	132.1	128.8	127.1	121.1	119.2	120.1	120.8	129.3	134.1
Others	2.8	2.9	3.5	3.6	4.2	4.1	4.4	4.7	4.5	5.2	5.0	5.2
Healthcare and public welfare	245.9	255.0	261.3	267.3	269.4	271.0	293.5	292.6	289.9	291.1	285.0	283.5
Gunma	110.9	113.2	113.7	114.4	114.2	115.7	124.8	122.7	122.5	122.3	118.3	116.7
Saitama	61.0	62.7	63.7	64.9	64.9	62.8	65.8	64.5	64.2	65.6	64.7	64.5
Tochigi	13.2	13.6	14.0	14.4	14.6	14.9	15.5	15.2	15.1	14.8	14.5	14.6
Tokyo and Kanagawa	58.1	62.4	67.1	70.6	73.0	74.8	84.7	87.2	86.6	87.0	86.1	86.3
Others	2.5	2.9	2.8	2.9	2.7	2.6	2.6	2.6	1.3	1.3	1.3	1.3
Other services	223.9	235.2	232.0	238.8	241.5	238.1	266.4	268.4	264.3	260.7	247.3	247.7
Gunma	124.5	130.9	125.5	129.9	130.1	129.2	148.1	151.1	148.8	147.7	138.6	139.4
Saitama	48.4	50.2	49.5	50.2	49.9	49.4	53.5	54.7	53.7	50.9	49.1	50.2
Tochigi	23.4	25.2	27.1	28.6	30.1	29.2	31.2	31.7	30.7	30.5	28.4	28.8
Tokyo and Kanagawa	24.3	25.8	27.3	27.4	29.5	28.3	31.3	28.6	28.8	28.5	28.2	26.3
Others	3.0	2.9	2.6	2.6	1.8	1.9	2.1	2.2	2.2	2.9	2.9	2.9

Status of Housing-related Loans

(Unit : Billions of yen)

[outstanding loan by region]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Housing loans	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4	1,314.9	1,328.7	1,341.2	1,348.9	1,367.4	1,381.6
Gunma	708.5	706.7	703.4	701.5	698.3	698.1	699.2	709.3	721.7	728.9	747.1	760.3
Saitama	325.8	327.7	327.7	326.5	324.1	320.9	318.8	318.2	317.0	317.4	317.2	317.8
Tochigi	117.2	116.5	115.8	114.4	113.1	111.2	110.1	108.9	107.7	107.3	104.7	103.5
Tokyo and Kanagawa	155.8	163.7	169.4	174.4	178.0	182.0	186.6	192.2	194.6	195.2	198.2	199.8
Apartment loans	568.4	593.4	613.3	631.6	641.7	651.4	649.7	649.8	649.4	647.9	653.6	660.1
Gunma	251.4	255.6	257.8	259.3	259.6	259.9	256.7	250.4	247.5	245.4	243.1	241.4
Saitama	129.5	135.4	141.4	147.7	150.2	154.0	154.2	158.8	160.2	160.8	163.8	166.0
Tochigi	106.1	110.0	112.4	114.6	116.1	116.0	115.5	115.2	114.2	113.5	112.3	111.8
Tokyo and Kanagawa	81.2	92.3	101.6	109.8	115.6	121.3	123.1	125.3	127.3	128.0	134.3	140.7

[Status of loans for investment real estate]	Mar. 2021				Mar. 2022				Mar. 2023			
	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio
Total loan balance	5,749.6	68.5	1.2%	100.0%	5,818.1	68.5	1.2%	100.0%	6,049.7	231.5	4.0%	100.0%
Of which, for investment real estate	1,021.8	-16.6	-1.6%	17.8%	999.2	-22.5	-2.2%	17.2%	998.6	-0.5	-0.1%	16.5%
Of which, whole building	211.5	-9.3	-4.2%	3.7%	197.0	-14.5	-6.9%	3.4%	186.4	-10.6	-5.4%	3.1%
Of which, asset management companies	57.4	-1.7	-3.0%	1.0%	53.6	-3.8	-6.6%	0.9%	50.9	-2.6	-4.9%	0.8%
Of which, salaried workers	31.5	-0.1	-0.6%	0.5%	31.2	-0.2	-0.9%	0.5%	29.1	-2.1	-6.9%	0.5%

* Loans for investment real estate: loans for funds used by individuals (including asset management companies, etc.) to purchase residential and lodging real estate, such as apartments, condominiums, and guest houses, for investment purposes.

[DSCR and vacancy rate]	Mar. 2021				Mar. 2022				[Default rate]		
	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa		Mar. 2021	Mar. 2022
Vacancy rate (%)	4.1	7.0	4.4	2.5	3.4	5.8	3.8	1.8	For investment real estate	0.27%	0.25%
DSCR (times)	1.35	1.32	1.35	1.45	1.36	1.33	1.36	1.47	Of which, apartment loans	0.09%	0.04%

* Cases in inheritance proceedings are excluded.

Status of Non-interest Business Profit (Consolidated)

(Unit : Millions of yen)						
[Breakdown of Main subsidiary]	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Non-interest business profit	9,088	19,162	10,875	20,530	11,707	21,022
Of which, Gungin Securities	1,233	3,659	1,836	3,549	1,655	2,486
Of which, Gungin Leasing	1,327	2,685	1,374	2,770	1,339	2,578
Of which, Gunma Credit Guarantee *	1,273	2,545	1,267	2,517	809	1,613

[Breakdown of non-interest business profit] (Composition ratio on the right)	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Non-interest business profit	9,088	19,162	10,875	20,530	11,707	21,022
Corporate service revenue	1,050	2,983	1,808	4,325	2,984	6,008
Syndicate loans	220	624	346	602	399	917
Structured Covenant loans	154	343	171	493	204	418
Business matching	146	346	241	554	288	625
Financial instruments intermediation (including Gungin Securities) *	114	361	140	302	132	172
M & A	105	377	157	308	163	392
Private placement bonds	87	199	94	194	45	155
Derivatives (interest rate and foreign exchange)	166	537	542	1,581	1,500	2,574
Others (including Gungin Consulting) *	54	191	114	289	251	752
Deposit financial assets revenue	2,717	7,140	3,948	7,703	3,685	6,850
Investment trust	1,039	2,558	1,515	2,886	969	1,848
Insurance sales commissions (for individuals) *	501	1,159	652	1,344	1,043	2,386
Gungin Securities (for individuals)	1,118	3,297	1,695	3,246	1,523	2,314
Commissions for testamentary trust /Inheritance sorting	27	72	59	173	126	264
Trust fee	30	53	25	52	22	36
Others *	5,320	9,038	5,118	8,501	5,039	8,163
Of which, Base service commissions (domestic exchange, agency services, etc.)	4,208	8,452	4,240	7,974	3,997	8,014

* Based on the Medium-term business plan "Innovation for 'Purpose'" that started in April 2022, the Bank has partially changed the aggregation categories from FY2022.

Status of Marketing Capability for Personal Deposit Financial Assets

(Unit : Billions of yen)								
[Balance of deposit financial assets]	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Individuals	833.5	798.9	834.5	870.7	901.5	926.0	940.1	966.1
Investment trust	240.6	210.5	224.2	244.5	256.7	255.7	238.0	241.2
Pension insurance, etc.	472.4	469.6	469.8	474.8	481.4	492.5	512.6	520.7
Public bonds (JGBs)	44.3	40.9	39.1	37.1	36.3	33.3	30.0	27.4
Gungin Securities (directly sale and intermediation)	76.0	77.8	101.3	114.1	127.0	144.4	159.4	176.6
Corporations, etc.	54.1	51.8	61.5	65.1	71.6	80.6	88.6	93.0
Bank, non-consolidated	17.8	16.4	15.8	14.5	14.6	14.6	14.6	15.3
Gungin Securities (directly sale and intermediation)	36.2	35.4	45.6	50.5	57.0	65.9	74.0	77.7
Total	887.6	850.8	896.1	935.8	973.2	1,006.6	1,028.8	1,059.2

[Sales amount for marketing capability for deposit financial assets]	Mar. 2020	Mar. 2021	Mar. 2022			Mar. 2023		
			First half	Second half	Total	First half	Second half	Total
Investment trust	66.8	83.4	48.9	40.2	89.1	26.5	24.1	50.7
Pension insurance, etc.	31.9	32.6	20.4	22.3	42.7	30.9	36.5	67.5
Public bonds (JGBs)	6.2	5.6	15.5	15.9	31.4	18.5	13.0	31.5
Gungin Securities (directly sale and intermediation)	52.6	82.2	61.1	56.0	117.1	57.5	38.1	95.6
Total	157.5	204.0	146.0	134.5	280.5	133.5	111.9	245.4

*1 From the second half of Mar. 2021, "Investment trust" and "Pension insurance, etc." include the sales amount of corporations, etc.

*2 From the first half of Mar. 2022 (Sep. 2021), "Public bonds (JGBs)" includes the sales amount of corporations, etc. and bond intermediation, and "Gungin Securities" includes the sales amount of corporations, etc.

Status of Investment in Securities

(Unit : Millions of yen)

[Breakdown of gains or losses on investment securities]	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Gains or losses on investment securities	8,698	12,547	5,549	9,641	-1,740	-1,768
Gains (losses) on bonds	2,851	3,193	742	-1,216	-18,139	-28,793
Gain on sales	3,150	3,652	3,547	4,453	3,158	3,220
Gain on redemption	29	29	—	—	—	—
Loss on sales (-)	329	489	2,805	5,670	21,044	31,483
Loss on redemption (-)	—	—	—	—	252	530
Loss on devaluation (-)	—	—	—	—	—	—
Gains (losses) on stocks and other securities	5,846	9,354	4,807	10,858	16,398	27,025
Gain on sales	7,216	12,310	6,076	14,634	17,360	28,578
Loss on sales (-)	1,306	2,933	1,194	3,701	814	1,382
Loss on devaluation (-)	63	21	74	74	146	170

(Unit : Billions of yen)

[Breakdown of other securities]	Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023	
	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses
Other securities	1,870.6	(71.0)	2,297.4	(100.9)	2,363.5	(104.3)	2,450.9	(45.7)	2,372.4	(-14.5)	2,618.3	(-6.6)
Domestic bonds	1,366.2	(7.5)	1,630.3	(3.4)	1,783.9	(6.4)	1,761.7	(-13.8)	1,728.1	(-32.9)	1,780.0	(-34.7)
Government bonds	446.3	(1.1)	680.7	(-1.5)	838.6	(1.2)	801.6	(-13.1)	775.8	(-27.7)	811.7	(-27.8)
Municipal bonds	714.9	(5.4)	745.6	(4.5)	747.5	(4.0)	764.1	(0.0)	761.1	(-3.1)	772.2	(-3.8)
Corporate bonds	204.9	(1.0)	203.9	(0.4)	197.7	(1.0)	195.9	(-0.6)	191.1	(-2.1)	196.0	(-2.9)
Stocks	87.2	(62.7)	111.4	(83.9)	130.8	(83.3)	128.0	(67.7)	130.8	(49.8)	145.9	(54.5)
Investment trusts	217.5	(-3.9)	205.8	(9.2)	163.0	(7.2)	187.1	(-0.2)	150.6	(-16.7)	253.3	(-26.3)
Foreign securities	195.9	(4.6)	345.3	(3.8)	280.5	(6.6)	367.6	(-8.3)	356.1	(-15.1)	432.5	(-0.4)
Yen-denominated securities	5.1	(0.0)	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)
Foreign-currency securities	190.7	(4.5)	341.1	(3.8)	276.3	(6.6)	363.4	(-8.3)	351.9	(-15.1)	428.3	(-0.4)
Others	3.7	(0.0)	4.3	(0.3)	5.0	(0.6)	6.3	(0.4)	6.7	(0.4)	6.4	(0.4)

[Bond average yield and duration]	Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023	
	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds
Bond average yield (%)	0.36	1.30	0.31	1.33	0.29	1.19	0.25	1.27	0.25	2.18	0.26	3.18
Modified duration (year)	6.22	3.72	7.24	4.24	7.86	4.03	8.08	5.36	7.91	3.69	7.59	3.19

Status of Capital

(Unit : Billions of yen)

[Consolidated]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Total capital	521.2	522.0	540.1	529.9	557.4	505.7	536.4	564.9	574.9	541.3	507.4	529.9
Common equity Tier1 capital	485.7	497.6	505.5	495.6	512.9	454.5	485.1	513.8	523.7	490.1	458.4	478.7
Other Tier1 capital	0.6	2.9	3.0	2.7	2.9	—	—	—	—	—	—	—
Tier2 capital	34.8	21.4	31.5	31.5	41.6	51.2	51.2	51.1	51.1	51.2	49.0	51.1
Risk assets	4,021.3	4,205.5	4,157.1	4,325.8	4,296.8	4,232.1	4,265.9	4,433.4	4,352.9	4,362.2	4,146.2	3,834.6
Total capital ratio	12.96%	12.41%	12.99%	12.25%	12.97%	11.95%	12.57%	12.74%	13.20%	12.40%	12.23%	13.82%
Tier1 ratio	12.09%	11.90%	12.23%	11.52%	12.00%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%
Common equity Tier1 ratio	12.07%	11.83%	12.16%	11.45%	11.93%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%
* excluding valuation difference on available-for-sale securities	(9.46%)	(9.58%)	(10.04%)	(9.65%)	(9.85%)	(9.99%)	(10.18%)	(9.97%)	(10.33%)	(10.46%)	(11.05%)	(12.48%)

*deduct if valuation difference on available-for-sale securities are positive.

[Non-consolidated]	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023
Total capital	497.6	497.3	513.7	504.8	530.9	483.4	512.2	533.6	542.0	506.0	466.0	492.0
Common equity Tier1 capital	464.4	477.2	483.7	474.7	490.9	433.4	462.1	483.5	491.9	456.3	421.4	442.0
Tier2 capital	33.2	20.0	30.0	30.0	40.0	50.0	50.0	50.1	50.0	49.6	44.6	50.0
Risk assets	3,969.2	4,149.5	4,095.5	4,263.2	4,230.2	4,175.5	4,209.7	4,378.2	4,292.6	4,300.2	4,072.8	3,718.0
Total capital ratio	12.53%	11.98%	12.54%	11.84%	12.55%	11.57%	12.16%	12.18%	12.62%	11.76%	11.44%	13.23%
Tier1 ratio	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%
Common equity Tier1 ratio	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%
* excluding valuation difference on available-for-sale securities	(9.06%)	(9.23%)	(9.68%)	(9.32%)	(9.51%)	(9.64%)	(9.80%)	(9.43%)	(9.76%)	(9.86%)	(10.34%)	(11.88%)

*deduct if valuation difference on available-for-sale securities are positive.

Status of Disclosed Claims under the Financial Reconstruction Law ("FRL") and the Self - Assessment Guideline

(Unit : Billions of yen)												
[Breakdown of disclosed claims under the FRL by industry]	Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023	
Disclosed Claims under the FRL (Composition ratio on the right)	113.6	100.0%	134.0	100.0%	119.9	100.0%	120.3	100.0%	115.4	100.0%	110.7	100.0%
Of which, Manufacturing	25.0	22.0%	41.5	31.0%	30.1	25.1%	35.2	29.3%	33.9	29.4%	33.2	30.1%
Of which, Wholesaling and retailing	20.0	17.7%	22.1	16.5%	21.2	17.7%	18.5	15.4%	17.4	15.1%	16.7	15.1%
Of which, Healthcare and public welfare	15.6	13.8%	14.9	11.2%	12.3	10.3%	13.0	10.9%	12.8	11.2%	13.2	12.0%
Of which, Real estate and goods rental	10.7	9.4%	10.8	8.1%	10.5	8.8%	10.2	8.5%	8.8	7.7%	8.6	7.8%
Of which, Other services	19.1	16.8%	19.8	14.8%	21.4	17.9%	20.0	16.7%	20.0	17.4%	16.6	15.1%

* The table above shows domestic branch's loans excluding loans booked at offshore markets.

[Ratio of Disclosed Claims under the FRL]	Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023	
Ratio of Disclosed Claims under the FRL	1.99%		2.33%		2.09%		2.03%		1.94%		1.81%	
* The ratio of Disclosed Claims under the FRL in the case where partial direct write-offs are executed	1.65%		2.00%		1.77%		1.73%		1.68%		1.55%	

[Credit balance by borrower classification under the self-assessment guideline]	Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023	
Total	5,793.0	100.0%	5,824.1	100.0%	5,814.3	100.0%	5,905.5	100.0%	5,926.2	100.0%	6,108.6	100.0%
Normal borrowers	5,147.6	88.8%	5,148.9	88.4%	5,131.0	88.2%	5,237.1	88.7%	5,288.6	89.2%	5,492.1	89.9%
Borrowers requiring caution	493.1	8.5%	511.4	8.8%	502.9	8.7%	478.0	8.1%	456.1	7.7%	442.5	7.2%
Potentially bankrupt borrowers	39.3	0.7%	45.1	0.8%	43.4	0.7%	48.3	0.8%	45.5	0.8%	41.6	0.7%
Effectively bankrupt borrowers	18.0	0.3%	19.8	0.3%	19.1	0.3%	16.8	0.3%	15.5	0.3%	15.9	0.3%
Bankrupt borrowers	10.1	0.2%	8.4	0.1%	8.9	0.2%	10.5	0.2%	9.6	0.2%	9.0	0.1%
Others (municipal authorities, etc.)	84.6	1.5%	90.2	1.6%	108.9	1.9%	114.5	1.9%	110.6	1.9%	107.1	1.8%

Status of Transition in Loans by Borrower Category

[numbers of borrowers] (Unit : ahead)			Mar. 2023								Total		
			Normal borrowers	Expected loss(i)	Expected loss(ii)	Potentially bankrupt borrowers	Effectively bankrupt borrowers	Bankrupt borrowers	Others	Breakdown: full recovery/ repayment	Breakdown: sale and write-off of loans	Upgrade	Down grade
Mar. 2022	Normal borrowers	22,264	19,649	1,100	30	11	14	9	1,451	1,451	—	—	1,164
	Expected loss (i)	6,540	977	4,927	61	32	41	13	489	489	—	977	147
	Expected loss (ii)	504	24	34	387	27	8	4	20	20	—	58	39
	Potentially bankrupt borrowers	580	—	11	13	458	44	7	47	45	2	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	247	—	1	2	2	139	9	94	38	56	24	—
	Bankrupt borrowers	68	—	—	—	—	—	32	36	6	30		
	Total	30,203	20,650	6,073	493	530	246	74	2,137	2,049	88	1,059	1,350

[Amount] (Unit : Billions of yen)			Mar. 2023									Total	
			Normal borrowers	Expected loss(i)	Expected loss(ii)	Potentially bankrupt borrowers	Effectively bankrupt borrowers	Bankrupt borrowers	Others	Breakdown: full recovery/repayment	Breakdown: sale and write-off of loans	Upgrade	Down grade
Mar. 2022	Normal borrowers	2,954.9	2,846.7	52.1	6.8	1.0	0.4	0.3	47.3	47.3	—	—	60.8
	Expected loss (i)	326.5	49.1	257.8	8.5	2.0	0.8	0.7	7.6	7.6	—	49.1	12.0
	Expected loss (ii)	81.4	6.2	4.6	64.7	3.2	1.2	0.7	0.6	0.6	—	10.8	5.1
	Potentially bankrupt borrowers	44.1	—	0.7	2.9	33.6	5.4	0.1	1.2	1.2	0.0	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	14.0	—	0.1	0.7	0.0	7.5	1.5	4.0	1.1	2.9	3.6	—
	Bankrupt borrowers	10.4	—	—	—	—	—	6.4	4.0	0.5	3.4		
	Total	3,431.6	2,902.1	315.3	83.7	40.0	15.4	9.9	64.9	58.4	6.4	63.5	78.1

(Notes) 1. What is shown here is transition in borrower categories from the end of March 2022 to the end of March 2023.

2. Outstanding balances are calculated based on self-assessments, including loans, acceptances and guarantees, and foreign exchanges (excluding overseas balances, government/municipal authorities, and individual borrowers). Those with outstanding balances not calculated based on self-assessments are aggregated into the "Normal" category.

3. "Others" in the table above is the number of borrowers who have resolved outstanding balances in FY2022 by full collection or repayment, final disposal (such as sale of loans), or other means. The table below calculates the reduced amount.

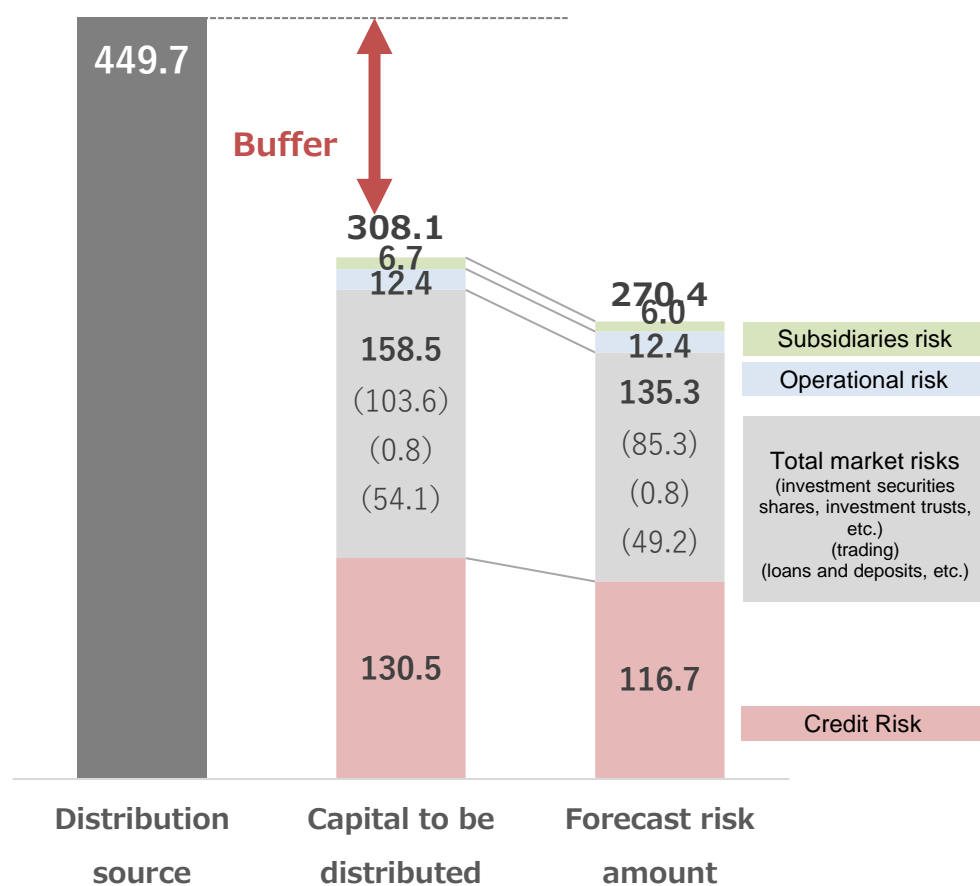
4. Expected loss classification (i) is calculated as borrowers requiring caution other than special caution, excluding those with realistic, comprehensive business reconstruction plans.

Expected loss classification (ii) is calculated as borrowers requiring caution other than special caution who have realistic, comprehensive business reconstruction plans and borrower requiring special attention.

Status of Capital Distribution

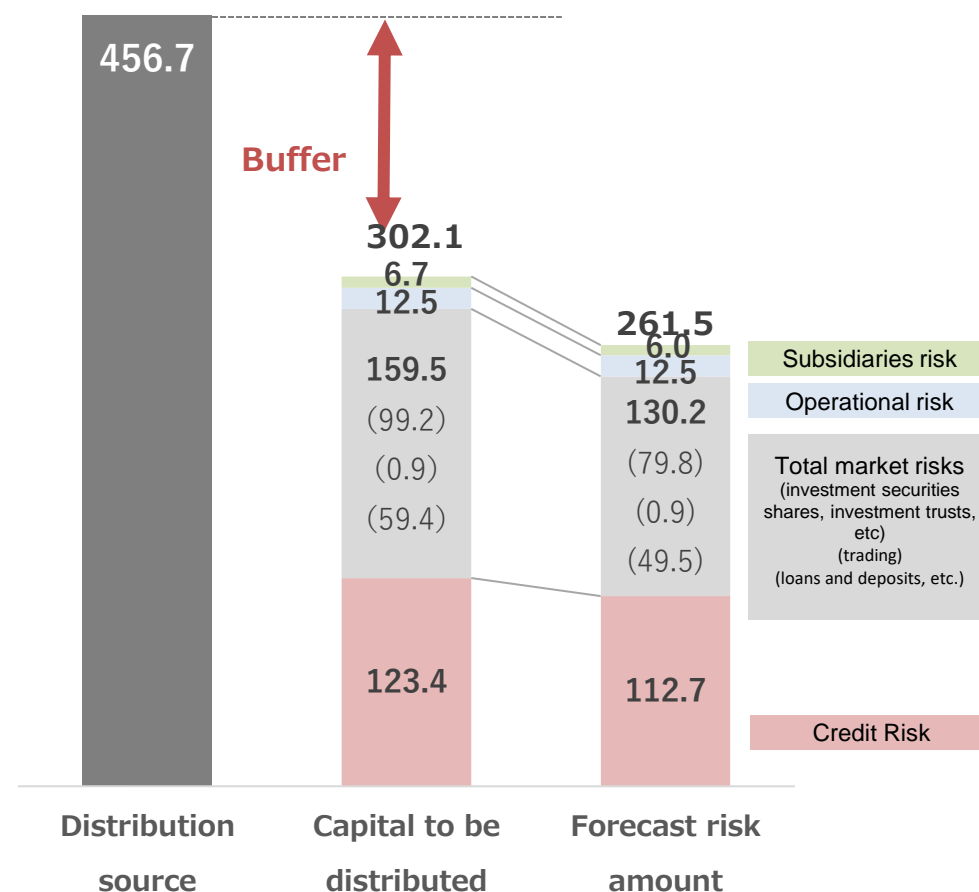
First half of FY2022

(Unit : Billions of yen)



Second half of FY2022

(Unit : Billions of yen)



As the distribution source, a sufficient level in preparation for unexpected economic environment changes, disaster risks, etc. is secured for "common equity and other Tier 1 capital adjusted for gains/losses from valuation, etc."

List of Group Companies



Developing diverse financial solutions through innovation in services to provide



Gungin Securities Co., Ltd.

【Securities business】

Supporting diverse needs for the management of equities, bonds, and other assets



【Leasing business】

Supporting needs for effective introduction of equipment



【Management consulting services】

Providing the optimal solutions for the issues of each individual company



【Investment fund management】

Supporting business succession and business revitalization



【Credit guarantee services】

Assisting customers realizing their dreams, such as housing and vehicles



【Transport of goods Maintenance of ATMs】

Supporting banking infrastructure through transportation and maintenance



【System development, System sales】

Supporting improvement of productivity through systematization



【Credit services】

Realizing diverse payment methods and cashless transactions



【Investment trust management services】

Promoting asset formation through the core and satellite management strategy

Summary of Financial Results of Group Companies

[Mar. 2023]	Bank, non-consolidated	Total of subsidiaries	(Gungin Securities)	(Gungin Leasing)	(Gunma Credit Guarantee)	(Others)	Consolidation offset	(Unit : Billions of yen) Consolidated financial statements
Core gross business profits	85.9	7.8	(2.4)	(2.5)	(2.4)	(0.2)	-1.3	92.4
Net interest income	71.7	-0.2	(-0.0)	(-0.2)	(0.0)	(0.0)	-0.0	71.4
Non-interest business profit	14.2	8.0	(2.4)	(2.8)	(2.4)	(0.2)	-1.2	21.0
Net fees and commissions income	11.8	3.4	(0.7)	(—)	(2.4)	(0.1)	-0.7	14.4
Profit from other business transactions	2.4	4.6	(1.7)	(2.8)	(—)	(0.0)	-0.5	6.5
Expenses (-) (excluding non-recurrent expenses)	50.2	3.2	(1.6)	(0.9)	(0.2)	(0.3)	-1.3	52.2
Others	-2.0	0.0	(-0.0)	(0.0)	(-0.2)	(0.1)	0.1	-1.9
Of which, Gain or loss on investment securities	-1.7	0.0	(—)	(—)	(—)	(0.0)	—	-1.7
Of which net credit costs (-)	1.0	0.1	(—)	(0.0)	(0.2)	(—)	0.0	1.2
Ordinary profit	33.5	4.5	(0.7)	(1.6)	(2.0)	(0.0)	0.1	38.3
Profit	24.6	3.1	(0.5)	(1.2)	(1.3)	(0.0)	0.1	27.9

[Mar. 2022]	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core gross business profits	85.2	8.8	(3.5)	(2.5)	(2.5)	(0.2)	-1.5	92.5
Net interest income	72.3	-0.2	(-0.0)	(-0.2)	(0.0)	(0.0)	-0.0	72.0
Non-interest business profit	12.9	9.0	(3.5)	(2.7)	(2.5)	(0.2)	-1.4	20.5
Net fees and commissions income	11.0	3.2	(0.6)	(—)	(2.5)	(0.1)	-0.9	13.3
Profit from other business transactions	1.9	5.7	(2.8)	(2.7)	(—)	(0.0)	-0.5	7.1
Expenses (-) (excluding non-recurrent expenses)	53.3	3.3	(1.8)	(1.0)	(0.2)	(0.2)	-1.4	55.2
Others	2.4	-0.8	(-0.0)	(-0.9)	(-0.0)	(0.1)	0.1	1.7
Of which, Gain or loss on investment securities	9.6	-0.0	(—)	(-0.0)	(—)	(—)	0.0	9.6
Of which net credit costs (-)	7.3	0.9	(—)	(0.9)	(0.0)	(—)	0.0	8.3
Ordinary profit	34.4	4.6	(1.6)	(0.6)	(2.3)	(0.0)	0.0	39.1
Profit	23.3	3.0	(1.1)	(0.2)	(1.5)	(0.0)	0.0	26.4

Status of Shareholders

(Unit : 1,000 shares)

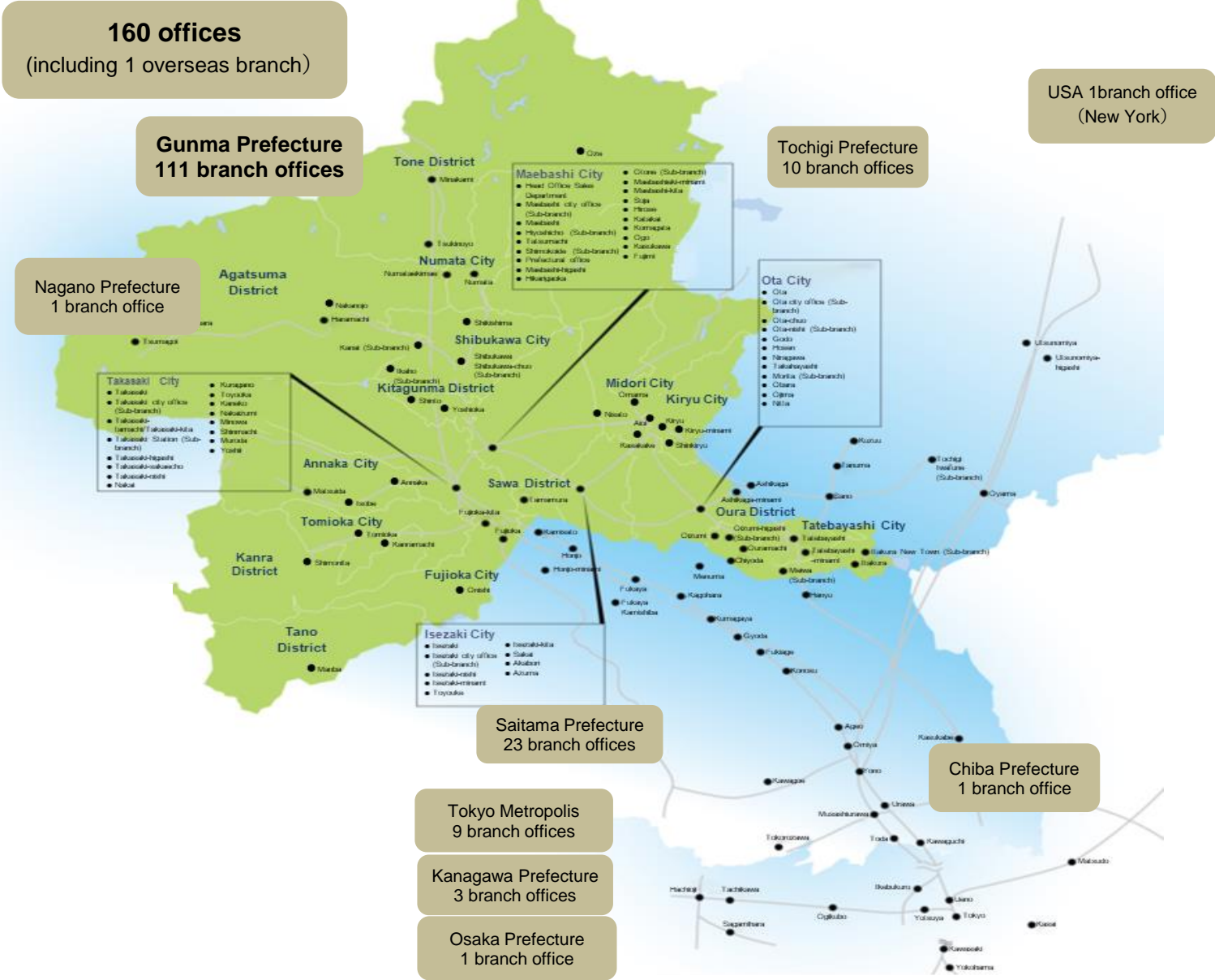
[Shareholder composition]	Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022		Mar. 2023	
	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio
Financial insititutions	165,783	36.52%	153,409	35.19%	157,158	36.05%	142,105	33.37%	134,233	31.52%
Securities companies	10,243	2.26%	4,509	1.04%	5,828	1.34%	10,296	2.42%	8,733	2.05%
Other domestic corporations	80,148	17.66%	78,415	17.99%	75,818	17.39%	74,055	17.39%	71,496	16.79%
Government and municipalities	8,332	1.84%	8,332	1.91%	8,332	1.91%	8,332	1.96%	8,335	1.96%
Foreign corporations/ Foreign individuals	75,927	16.73%	77,547	17.79%	75,082	17.23%	72,552	17.03%	79,016	18.55%
Individuals/others (employees,etc.)	86,386	19.03%	97,297	22.32%	98,118	22.51%	103,320	24.26%	104,728	24.59%
Treasury shares	27,065	5.96%	16,375	3.76%	15,548	3.57%	15,224	3.57%	19,344	4.54%
Total	453,888	100%	435,888	100%	435,888	100%	425,888	100%	425,888	100%

(Unit : 1,000 shares)

[Status of major shareholders (Mar. 2022)]	Ownership of shares	Ratio of shareholding	[Status of major shareholders (Mar. 2023)]	Ownership of shares	Ratio of shareholding
The Master Trust bank of Japan, Ltd. (Account in trust)	59,552	14.50%	The Master Trust bank of Japan, Ltd. (Account in trust)	57,338	14.10%
Custody Bank of Japan, Ltd. (Account in trust)	16,844	4.10%	Custody Bank of Japan, Ltd. (Account in trust)	20,074	4.93%
Gunma Bank Employees' Shareholding Association	13,371	3.25%	Gunma Bank Employees' Shareholding Association	13,019	3.20%
Meiji Yasuda Life Insurance Company	11,056	2.69%	Sumitomo Life Insurance Company	10,657	2.62%
Sumitomo Life Insurance Company	10,657	2.59%	Meiji Yasuda Life Insurance Company	10,504	2.58%
Toyo Seikan Group Holdings, Ltd.	7,330	1.78%	Toyo Seikan Group Holdings, Ltd.	7,330	1.80%
Nippon Life Insurance Company	6,467	1.57%	Nippon Life Insurance Company	6,467	1.59%
Sumitomo Mitsui Banking Corporation	5,948	1.44%	DFA INTL SMALL CAP VALUE PORTFOLIO	5,541	1.36%
Custody Bank of Japan, Ltd. (Account in trust 4)	5,391	1.31%	JP MORGAN CHASE BANK 385781	5,397	1.32%
STATE STREET BANK WEST CLIENT-TREATY 505234	5,035	1.22%	Custody Bank of Japan, Ltd. (Account in trust 4)	5,319	1.30%
Total	141,654	34.49%	Total	141,649	34.84%

* The above excludes treasury stock. (The ratio of shareholding is calculated by excluding treasury shares.)

Branch Office Network



Status of Overseas Bases

- As an overseas base that supports the overseas expansion of the automotive industry in the Gunma Prefecture, our New York branch is the only one of the three regional banks to have a branch in New York.

► New York Branch

● Overview

[Establishment] Established in 1988 to support the expansion of SUBARU and other automobile-related companies from the prefecture into the North American market.

[Operations] There are currently 12 employees (including local staff), mainly engaged in lending and market operations.

[Staff] Employees with experience gained at the branch are active in a wide range of areas such as support for borderless corporate activities, market operations, and planning.

● Branch financial status and profit / loss status

- The main operations are loans and investment in floating rate bonds. The main sources of funding are interoffice borrowing and market funding.

(Unit : left column Mn \$, right column Bn)

Earning assets balance	1,327	177.2	Funds balance	1,327	177.2
Foreign loans	532	71.0	Market procurement	650	86.7
Foreign securities	768	102.6	NCD	300	40.1
(floating rate bond)			interoffice borrowing	371	49.5

- The branch has a stable profit of 1 to 2 million dollars every period.

(Unit : Millions of dollars)

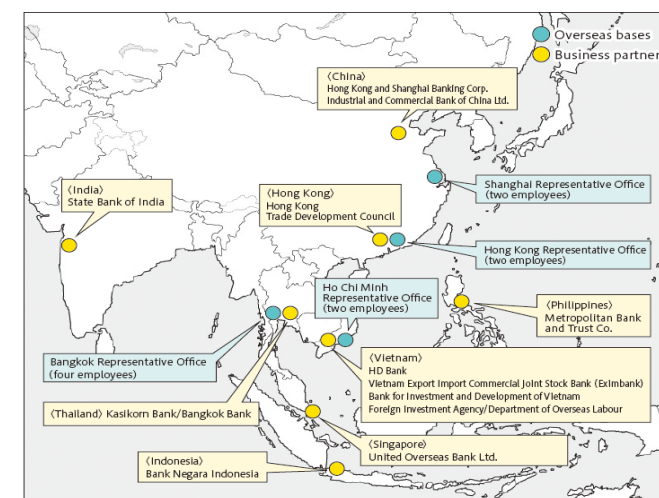
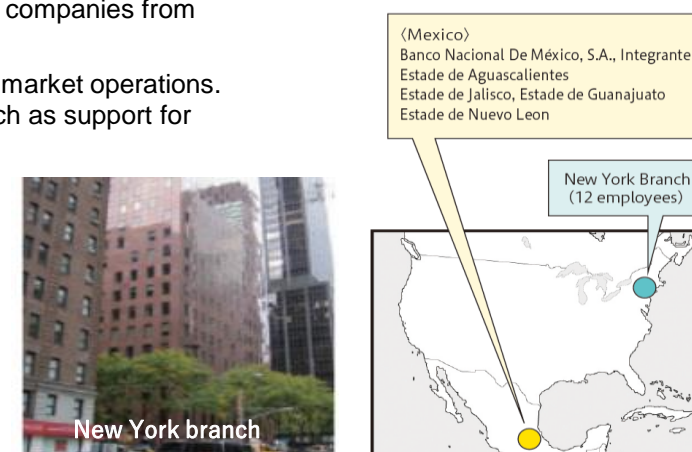
	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
Business gross profit	5.3	5.4	4.6	4.6	4.8	5.6	5.4	5.1	5.5	4.9
of which, net interest income	5.6	5.4	5.0	4.6	4.9	6.0	5.6	5.3	5.7	5.1
expenses	3.4	3.5	3.3	3.5	3.3	3.3	3.6	3.6	3.6	3.5
business net profit	1.8	1.8	1.3	1.1	1.5	2.3	1.7	1.4	1.9	1.3
profit before income taxes	1.9	1.8	1.3	1.1	1.5	2.4	1.7	1.4	1.8	1.4
Yen base (Billions of yen)	0.19	0.22	0.14	0.12	0.16	0.26	0.19	0.16	0.22	0.18

► Asia bases (Representative Office)

● Overview

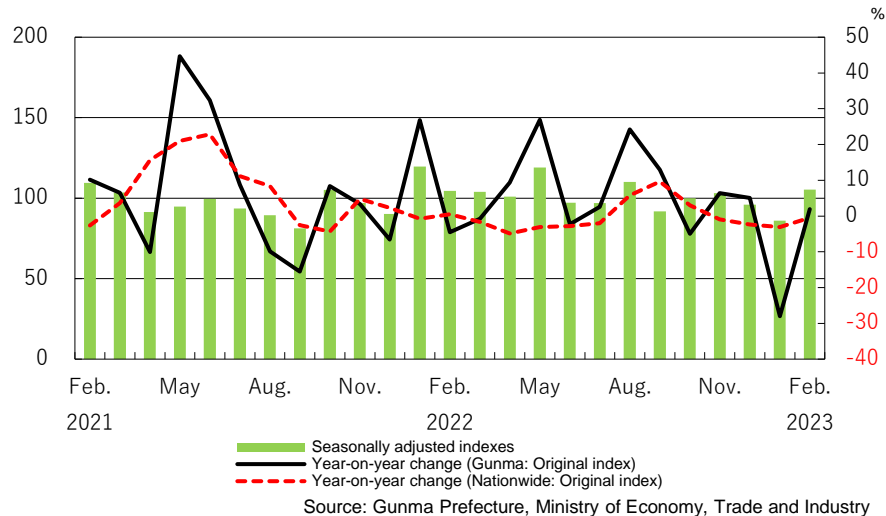
[Offices] Four offices in Bangkok, Shanghai, Hong Kong, and Ho Chi Minh City provide comprehensive coverage of the Asian region.

[Operations] Support for business partners in the prefecture to expand their business in Asia, webinars by staff assigned there, support for exchanges with local business partners, etc.

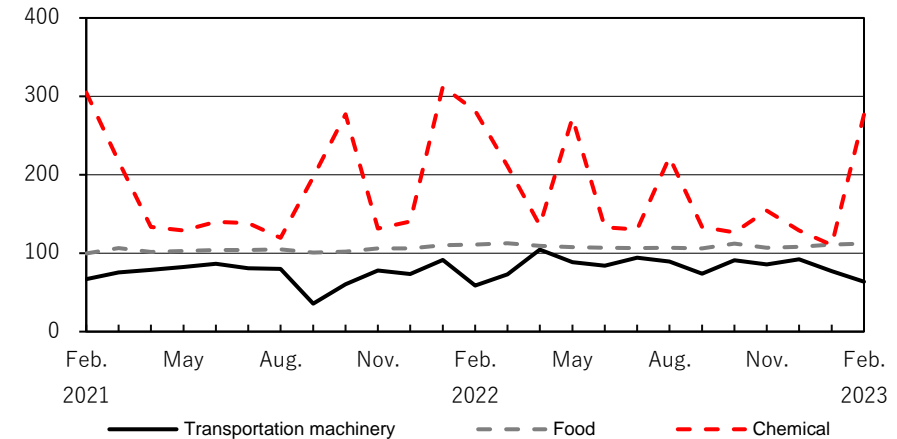


Economic Trends in Gunma Prefecture I

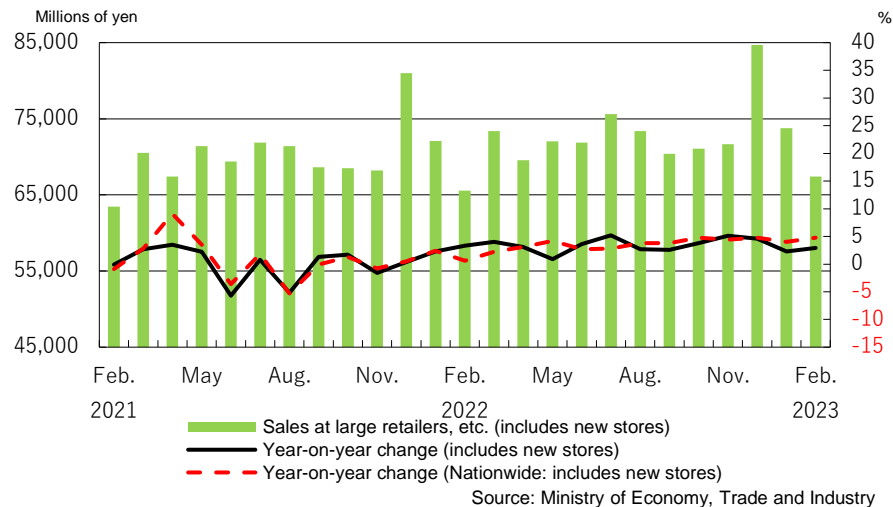
Mining and manufacturing production index (Year 2015=100)



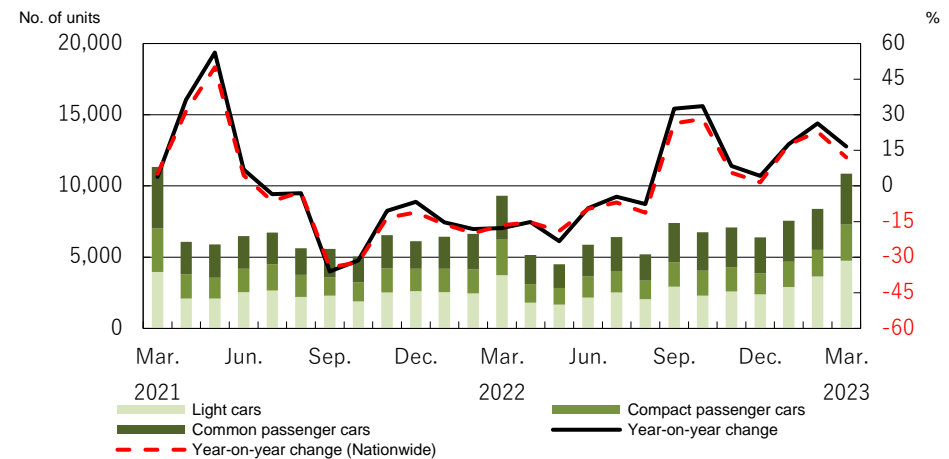
Production index by industry classification (seasonally adjusted)
(Year 2015 = 100, Top three industries by share)



Sales at large retailers, etc.

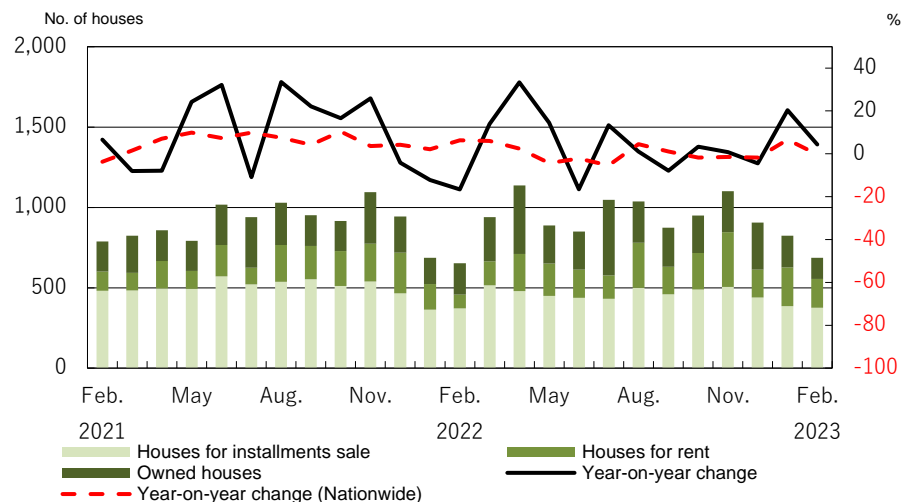


Sales of passenger cars



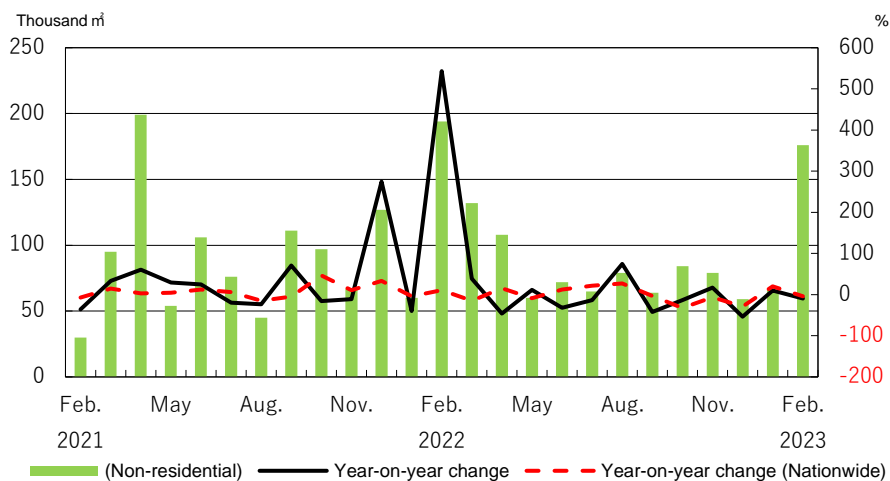
Economic Trends in Gunma Prefecture II

New housing starts



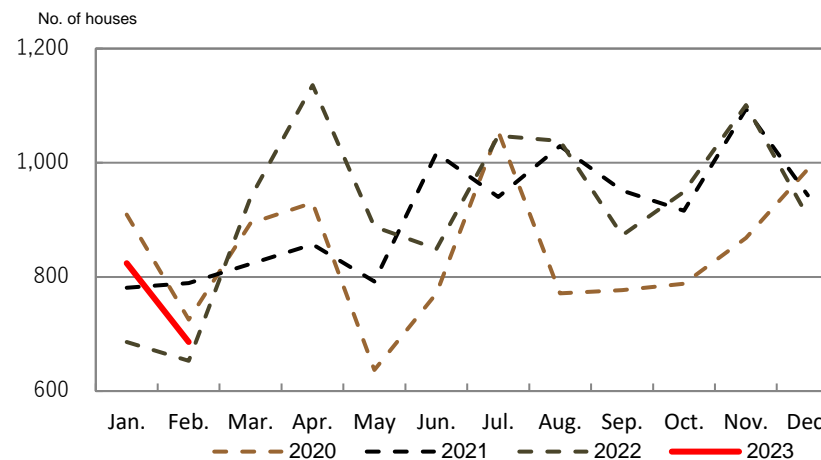
Source: Ministry of Land, Infrastructure, Transport and Tourism

Total floor space of construction starts (non-residential)



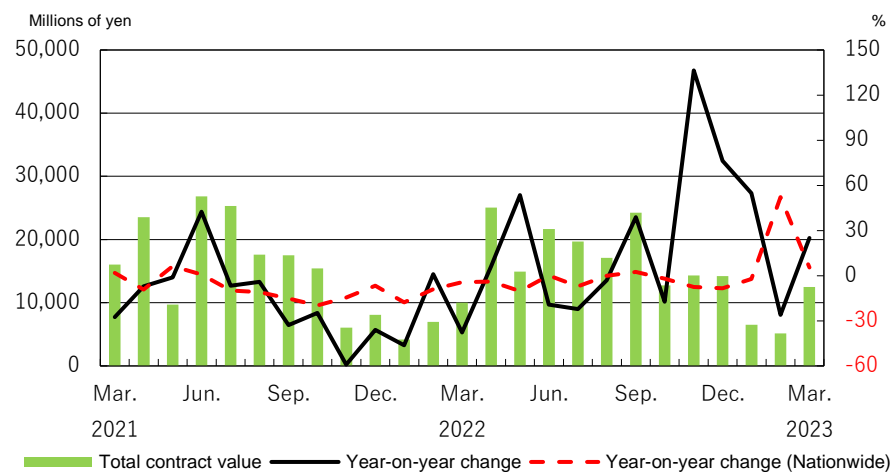
Source: Ministry of Land, Infrastructure, Transport and Tourism

Monthly movements in new housing starts



Source: Ministry of Land, Infrastructure, Transport and Tourism

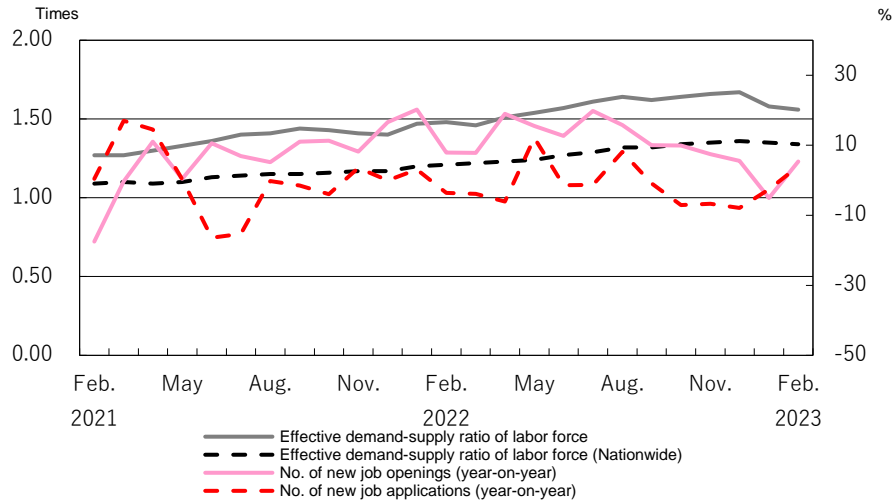
Value of public works contracts



Source: East Japan Construction Surety Co., Ltd., etc.

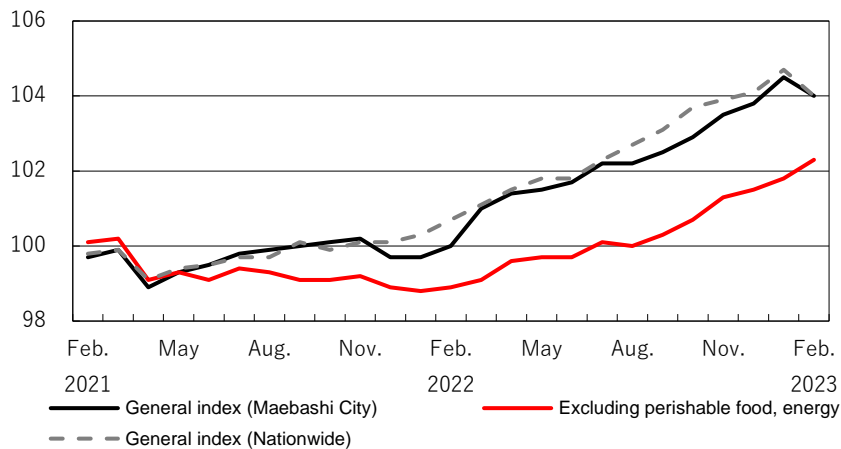
Economic Trends in Gunma Prefecture III

Effective demand-supply ratio of labor force and number of new job openings and new job applications



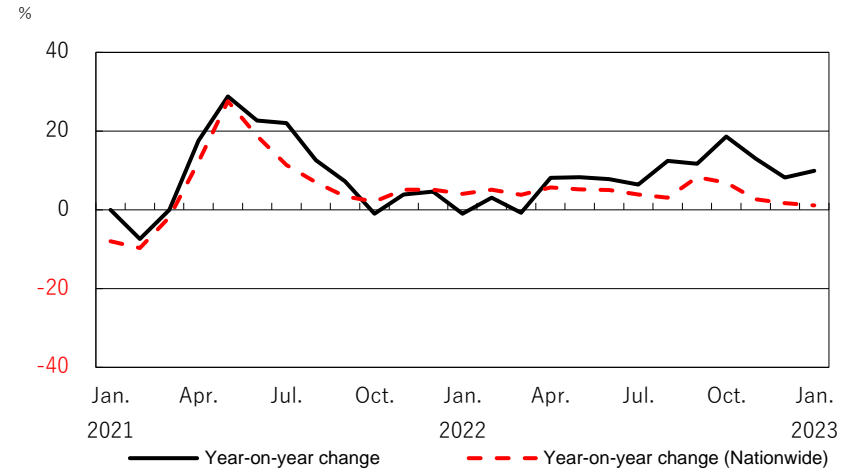
Source: Gunma Labor Bureau

Consumer price index (Year 2020 = 100)



Source: Ministry of Internal Affairs and Communications

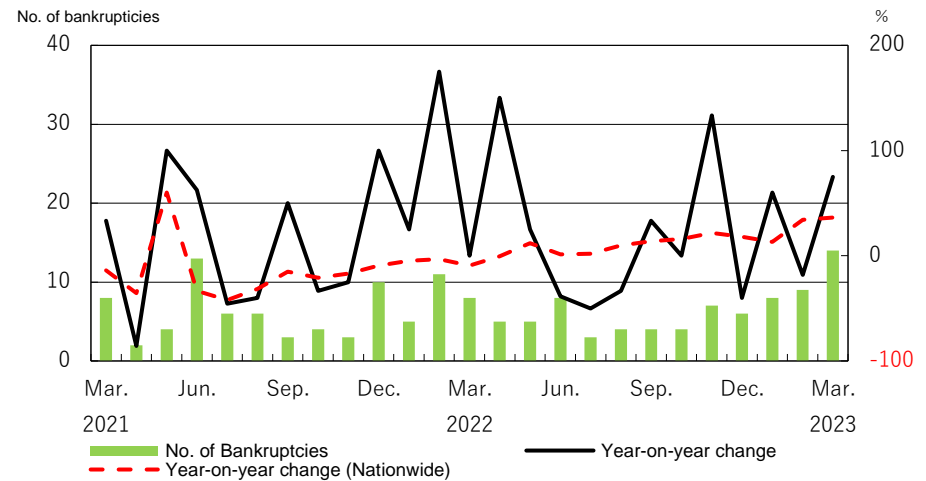
Total overtime hours



* All industries and offices with five employees or more

Sources: Ministry of Health, Labor and Welfare, Gunma Prefecture

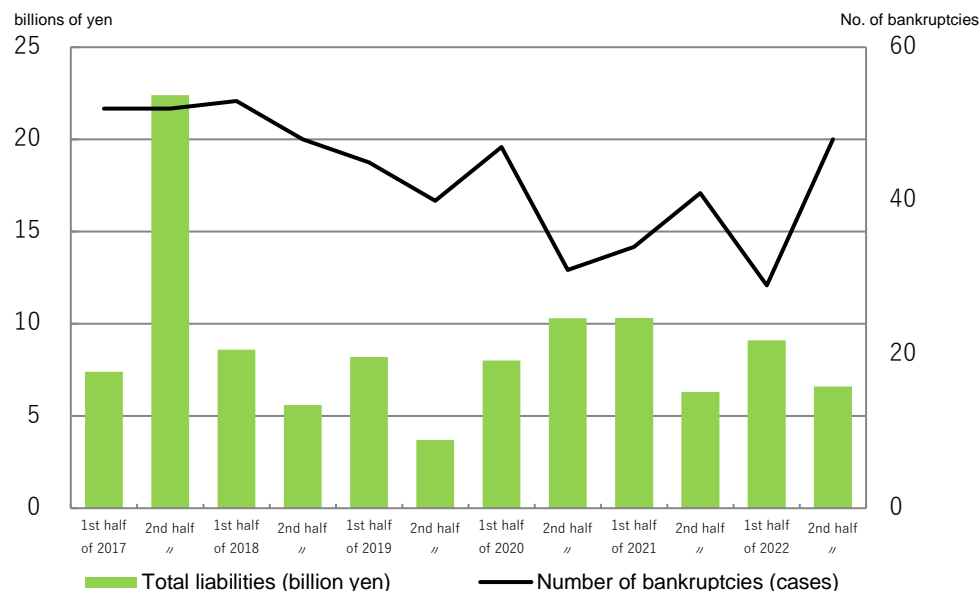
Number of bankruptcies



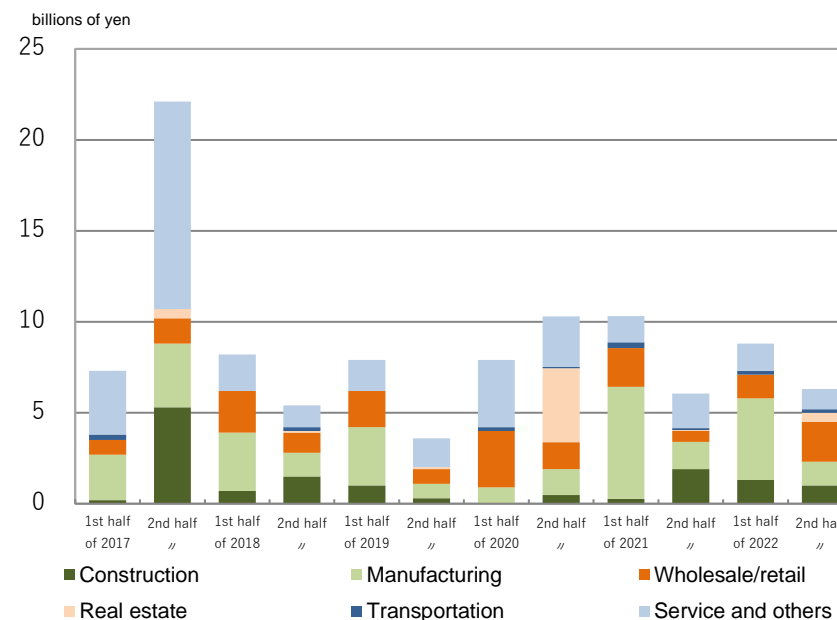
Source: Teikoku Databank

Economic Trends in Gunma Prefecture IV

Number of bankruptcies of companies and total liabilities



Left table : breakdown of total liabilities(Industry breakdown of bankruptcies)



(Unit : Billions of yen)

	FY2017		FY2018		FY2019		FY2020		FY2021		FY2022	
	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.
No.of Bankruptcies	52cases	52cases	53cases	48cases	45cases	40cases	47cases	31cases	34cases	41cases	29cases	48cases
Total liabilities	7.4	22.4	8.6	5.6	8.2	3.7	8.0	10.3	10.3	6.3	9.1	6.6
Construction	0.2	5.3	0.7	1.5	1.0	0.3	0.0	0.4	0.2	1.9	1.3	1.0
Manufacturing	2.5	3.5	3.2	1.3	3.2	0.8	0.9	1.4	6.1	1.5	4.5	1.3
Wholesale/retail	0.8	1.4	2.3	1.1	2.0	0.8	3.1	1.4	2.1	0.6	1.3	2.2
Real estate	—	0.5	—	0.1	—	0.1	0.0	4.0	—	0.0	—	0.5
Transportation	0.3	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.3	0.1	0.2	0.2
Services and others	3.5	11.4	2.0	1.2	1.7	1.6	3.7	2.7	1.4	1.9	1.5	1.1

* Based on Teikoku Databank figures, includes only bankruptcies with liabilities of 10 million yen or more.Excludes voluntary liquidations (e.g., suspension of banking transactions) and includes only bankruptcies under the five bankruptcy laws (e.g., Corporate Rehabilitation Act).

* First half: April–September, Second half: October–March

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